



We are **wavemakers**

At sea and on land



2022

SUSTAINABILITY REPORT



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SUSTAINABILITY

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Chairman's Message

With the many challenges that came along with the 2020 COVID-19 pandemic, including a global healthcare threat and an economic crisis, 2023 was not an easy year for reaching sustainability goals. Priorities had to shift to ensure people's safety and business continuity in a world still grappling with unpredictable socio-economic factors' short and long-term impacts. At the same time, the effect of global warming didn't show any signs of slowing down. Climate changes added more problems and responsibilities for all industries, including our maritime sector.

I fully agree with a quote: "We don't grow when things are easy; we grow when facing challenges." The past two pandemic years have taught us to pay more attention to global threats, develop more resilience to changes, work together more closely, and find solutions more quickly. I believe that now when the world learns to embrace constant changes more openly, we have a chance to spin the wheel faster. We can use these pandemic lessons to accelerate the 2030 Agenda for Sustainable Development, which United Nations outlined in 2015 and progressed slowly over the last seven years. We must do our best to enhance cooperation and secure more stable and resilient economies, ready for unexpected disruptions in value and supply chains. And we can do all that without compromising global efforts toward fostering inclusive and sustainable development.

At Sallaum Lines, we managed to do just that - use the recent challenges as an accelerator for our sustainability strategy, with the final goal of zero-emission shipping by 2050 and a fully optimised 'green' vessel fleet by 2026.

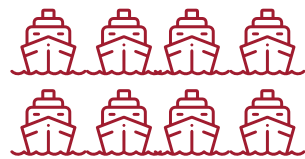


Sami Sallaum
Chairman

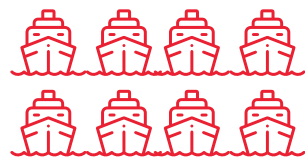


Over the last year, we made significant improvements on our way towards a greener future, resulting in:

Economic Data



Total owned and chartered PCTC ships: 10



Ordered LNG Dual Fuel: 8

350,000
Total Units Shipped (CEU)



30+
Number of Ports

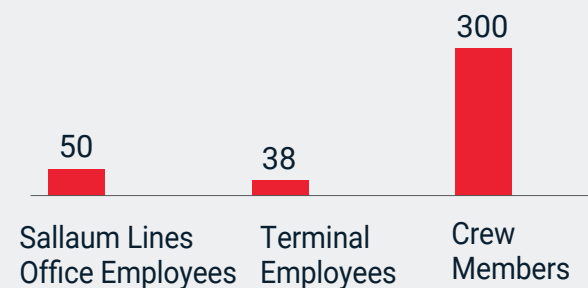
120,000
Dead Weight Tonnage



4M+
Total Vehicles Shipped

Social Data

Number of Employees



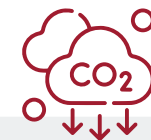
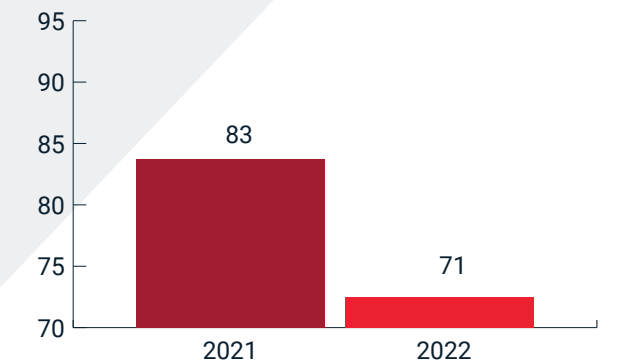
47%
Female
53%
Male



57%
of employees are between 30 and 50 years old
17%
of employees are 50 years or older
26%
of employees are under 30 years old

Environmental Data

Average CO2 Emission Intensity [kg/kTxNM]



CO2 Emissions percentage dropped by **14% less emission** from 2021 to 2022.

Sallaum Lines set a target to further reduce the CO2 emissions in 2030 by 40%.



Oil Leakage: 0



**Among the World's Largest
Eco-Friendly
Shipping Businesses**



Among the World's Largest Eco-Friendly Shipping Businesses

About Sallaum Lines

With 30 years of experience in global RoRo cargo shipping services from Europe and North America to North, West, and South Africa, Sallaum Lines is an international ocean transportation company ranked as the 10th primary vehicle carrier in the world.

Headquartered in Switzerland, Sallaum Lines counts more than three million Car Equivalent Units (CEU) shipped over the last decade. We have offices located in Belgium, Germany, India, Spain, and UAE.

By the Numbers

2022 in numbers

350,000
Units Shipped (C E U)

120,000
Deadweight tonnage

10
Ships

Experience in numbers

4M+
Vehicles shipped

30+
Ports called

500+
Competent Group
Employees





Shipping Services

The Fleet

Sallaum Lines currently operates a fleet of ten owned and chartered vessels from Europe and another three ships from the USA. The US tonnage is managed through an alliance with Hyundai Glovis.

RoRo Cargo

It includes loading and discharging operations. We specialise in shipping vehicles, trucks, buses, trailers, and high and heavy machinery on board high-capacity Pure Car/Truck Carrier (PCTC) vessels.

Terminal Operations

The company's terminal – ST Cargo Terminal - is located in the Port of Antwerp, Europe's second-largest seaport (after Rotterdam.) The terminal is fully equipped to handle any cargo, including vehicles, timber, steel, and project cargo.

Better Together: Our Partners

We firmly believe that when working together, we can achieve more. That's why we forge partnerships with different organisations that share our vision of building a more sustainable world, such as:





Green Vessels By 2026, Zero-Emission Shipping By 2050

Sustainability at Sallaum Lines

Here at Sallaum Lines, we believe in a sustainable approach to business conducted in a conscious, socially responsible, and ethical manner. The benefits of that approach are two-fold: sustainability is morally correct and contributes to long-term value creation. Furthermore, we believe that we can use our ecological efforts for conscious business growth. Therefore, our vision is bold: to create global prosperity for businesses and individuals in the shipping industry through sustainable and eco-friendly shipping services.

Governance Structure in Place

Governance of sustainability in Sallaum Lines is anchored in the Board of Directors (Global Sustainability Committee) and the Executive Leadership Team. Under their oversight, our sustainability governance and integration approach secure executive ownership of sustainability and involvement in setting sustainability priorities and driving implementation. In addition, they have sustainability embedded in core processes related to strategy, performance, planning, and risk management. In 2022, we revised the governance structure on decarbonising logistics to accelerate our efforts. This includes:

- Having an expanded steering committee with an executive member serving as an accountable decision-making forum and supported by a broader decarbonisation advisory group.
- Preparing work plans and strategies.
- Ensuring alignment across the company.

The advisory group has defined a set of workstreams covering commercialisation, energy efficiency, fleet and network, retrofitting, new fuels, sourcing, and framework conditions.

Stakeholder Engagement

Stakeholder groups are prioritised for sustainability strategy, reporting, and engagement: customers, employees, investors, authorities, and NGOs/thought leaders. Issue owners and leaders across Sallaum Lines engage with representatives of these groups as part of their daily work. We incorporate feedback from the regular engagements in determining the materiality of sustainability issues and setting strategic direction for our work. In 2022, our customer engagement focused mainly on providing transparency on responsible business practices and visibility of logistics emissions. Our attention also included sustainability innovation, encompassing our current and future solutions for net-zero carbon shipping. The engagement with investors, banks, and insurers on ESG/sustainability has likewise centred on decarbonisation. However, ship recycling, air emissions, ocean health, and safety are also topics important to our partners. We engage actively in many partnerships on key sustainability topics.





On Our Way Towards Carbon Neutrality





On Our Way Towards Carbon Neutrality

Sustainability efforts at Sallaum Lines were initiated in 2018 when we developed our first low-carbon solutions. We also started to use non-toxic antifouling hull paint for our vessels.

In 2019, the efforts continued with the introduction of the ballast water treatment system, which minimises the transfer of invasive marine species, and with our fleet's shift to low-sulphur fuel.

In the same year, we started implementing scrubbers, or exhaust gas cleaning systems (EGCS), that reduce sulphur emissions. When the International Maritime Organization's new rules on vessel emissions of sulphur dioxide came into effect in 2020, we were already compliant.

Our leadership sealed our sustainability goals by officially announcing the company's commitment to carbon neutrality and zero emissions by 2050.

As we embark on an era of increased environmental responsibility, we have outlined a strategic plan to transform our operations. Starting from 2025, we will be introducing Liquefied Natural Gas (LNG) powered vessels into our fleet, a pivotal shift from traditional marine fuels such as heavy oil and diesel. LNG is a more environmentally-friendly alternative, significantly reducing greenhouse gas emissions and virtually eliminating sulfur oxides, nitrogen oxides, and particulates. With this initial phase, we forecast a reduction of 40% in our total emissions, marking a significant stride towards sustainability.

Moving beyond the introduction phase, our commitment continues to strengthen. By 2030, we pledge that our complete fleet will be powered by LNG. This entails not only procuring new LNG powered vessels, but also retrofitting existing ones with LNG-compatible engines. Despite the substantial investment and logistical challenges, this transition exemplifies our unwavering dedication to reducing our environmental footprint.





On Our Way Towards Carbon Neutrality

However, our vision for sustainability doesn't end with LNG. Although it is less polluting than traditional fuels, LNG still emits carbon dioxide when burned. To truly realise our ambition of zero emissions, starting from 2030, we will begin to introduce vessels powered by alternative, possibly renewable energy sources. These sources could include hydrogen, electricity (via batteries charged by renewable energy), solar power, or wind power - all of which do not produce any emissions during operation. We aim to achieve a complete transition to these emission-free vessels by 2045, setting an ambitious yet commendable target that aligns with global efforts to mitigate climate change.

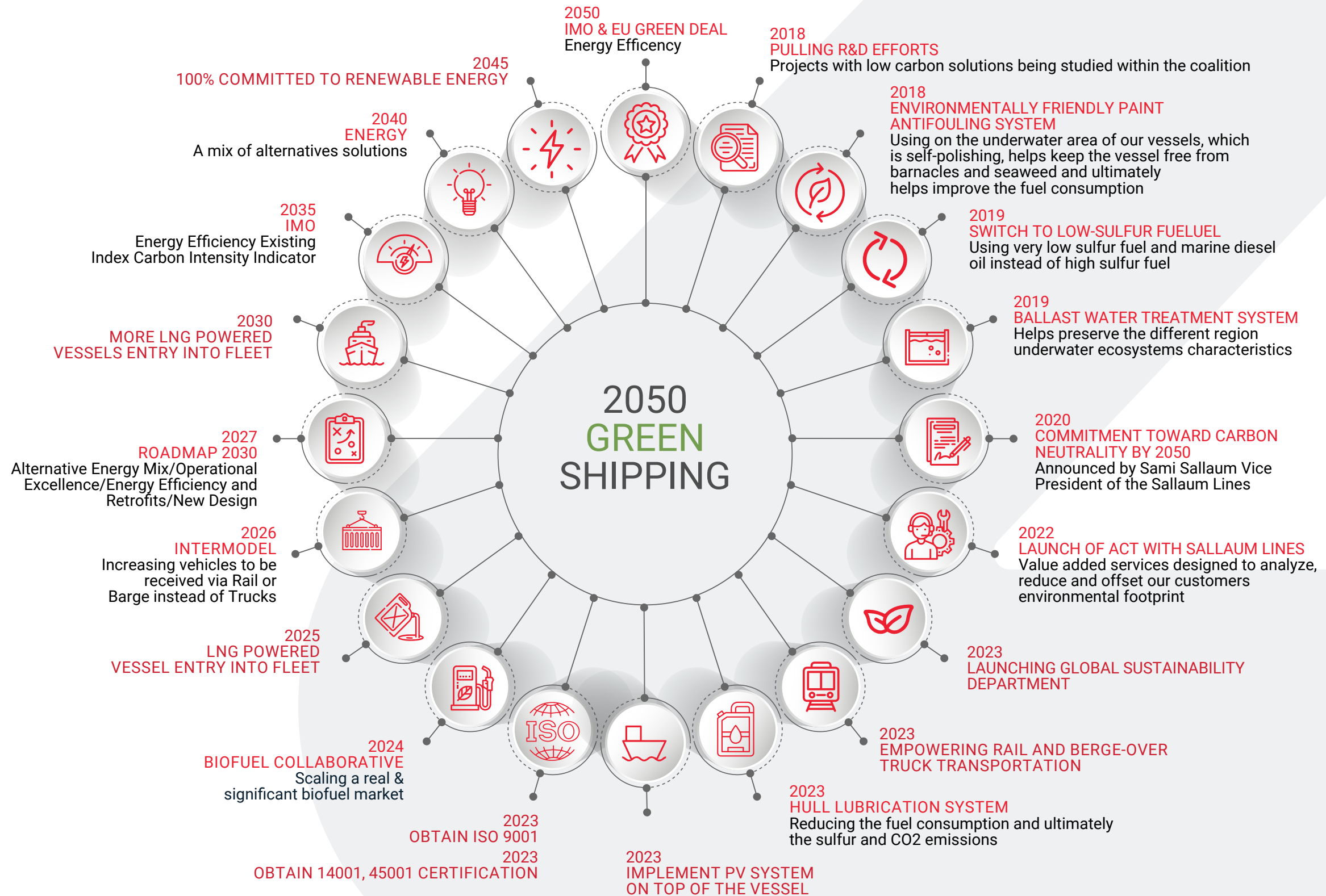
This strategic plan embodies our commitment to sustainable operations and reflects a broader industry trend towards cleaner and more environmentally-friendly fuel sources. As an organisation, we acknowledge our role in combating climate change and are firmly committed to minimising environmental degradation through these steps.

Vessel Retrofitting

On our way towards green shipping, we recognise the need to retrofit our vessels by installing innovative components and systems to upgrade to higher performance, adhere to ecological standards, reduce fuel consumption, and extend their lifetime.

- Over the next few years, we plan to have vessels that use: fuel optimisers, PV systems, speed nozzles, waste heat recovery systems, stream bubbles, and lithium-ion batteries.
- We know that the high sides of PCTC ships and their unusual shape are not the best option from an energy-efficient standpoint. Therefore, we plan to retrofit the vessels' bulbous bows for reduced resistance.







1- 2018 | NON-TOXIC ANTIFOULING HULL PAINT

Preventing marine organisms from attaching to the hull keeps it smooth, which improves fuel efficiency and increases speed of the ship.

2- 2018 | SLOW TRAVEL TIME

Slowing ship travel time to cut costs and help reduce high-sulfur fuel emissions.

14- 2025 | LITHIUM-ION BATTERIES

Relying on lithium-ion batteries and energy storage as a power source.

3- 2019 | BALLAST WATER TREATMENT SYSTEM

Minimising the transfer of invasive marine species through the ship's ballast water system.

13- 2025 | SHORE POWER

By connecting the vessels to the grid, emissions will decrease to a minimum at berth.

4- 2019 | SWITCH TO LOW-SULFUR FUEL

The switch allows for the use of emissions control technologies which lower diesel combustion emissions.

12- 2023 | WASTE HEAT RECOVERY SYSTEM

Converting the waste heat from the exhaust gases into steam helps reduce fuel consumption.

5- 2019 | EXHAUST SCRUBBER SYSTEM / SULFUR SCRUBBER SYSTEM

The aim is to reduce or capture sulfur before it escapes through the exhaust funnels.

11- 2023 | SPEED NOZZLES

Speed nozzles improve the propulsion efficiency of the ship by saving power and fuel.

6- 2023 | FLEET ANALYSIS

Using Fleet Analytics, a performance management and reporting tool that helps make fact-based decisions to improve operations.

10- 2023 | HULL RETROFITTING:

Retrofitting of the bulbous bow, optimising thruster tunnels or bilge keel to reduce resistance

7- 2023 | APPLY FUEL OPTIMIZER

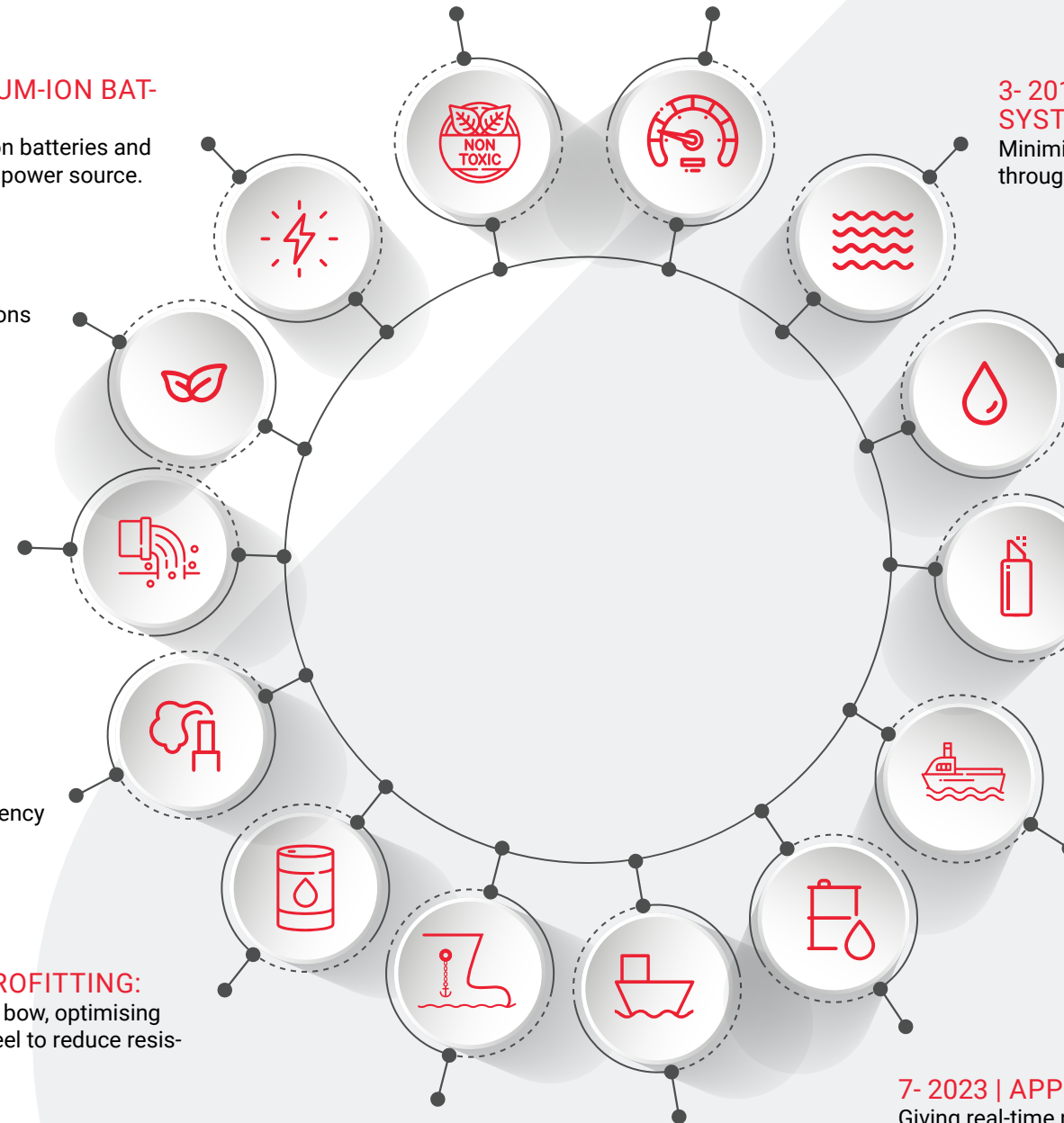
Giving real-time propulsion optimisation, thus improving energy efficiency and lowering fuel costs.

9- 2023 | PV SYSTEM

Implementing a PV system on top of the vessels to reduce ships' dependence on diesel and reduce emissions from it.

8- 2023 | STREAM BUBBLES

Streaming bubbles helps ships slice more cleanly through the water.





Committed to the UN Sustainable Development Goals

The UN envisions our planet and its people co-existing in a more sustainable relationship by 2030. To achieve that, we all need to participate and actively contribute.

There are 17 UN Sustainable Development Goals (SDGs) and 169 targets for a more sustainable world, as outlined in 2015. They serve as "... a universal call to action to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere."

Sallaum Lines answered that call by creating an action plan that responds to 16 out of 17 goals across the world's environmental, social, economic, and regulatory challenges.





Sustainability Issues	Targets/Goals	Actions & Commitments	SDG's to which we contribute via our initiatives	
Governance & Compliance	• Corporate Governance	<ul style="list-style-type: none"> • Board Governance • Deepen company values and strategies • Encompass corporate functions from International and Local Government and Public affairs to legal and compliance. 	<ul style="list-style-type: none"> • Regulatory Policies, Governance, SOPs and internal and external relationships. 	
	• Third Party Management	<ul style="list-style-type: none"> • Clear rules and regulations in management • Procurement and supplier management 	<ul style="list-style-type: none"> • Risk assessment and regular audits • Focus on due diligence processes (KYC-KYS). 	
	• Compliance	<ul style="list-style-type: none"> • Improvement of the management system • Establishing reporting channels 	<ul style="list-style-type: none"> • Regular supervision and audits • Anti-corruption activities and education 	
Economic	• Economic performance	<ul style="list-style-type: none"> • Empower Youth with entrepreneurial skills and coach them through the business model phases to develop their innovative ideas focusing on a specific theme or SDG that, if valid, will be financed by our co. 		
	• Technology drives growth	<ul style="list-style-type: none"> • Business-changing software solution for all RoRo shipping business needs • Using of eB/L instead of hardcopy B/L • Visual Compliance screening system 	<ul style="list-style-type: none"> • GRC management Software • HR software • Ship Management Software 	
	• Serving the customers	<ul style="list-style-type: none"> • Providing high-standard services to customers • Customer complain and satisfaction management 	<ul style="list-style-type: none"> • SL Third-Party Privacy Policy • Pipeline network for drinking water 	
Environmental	• Energy conservation and emission reduction	<ul style="list-style-type: none"> • Using low sulfur fuel • Carbon emission calculator • Fuel optimiser 	<ul style="list-style-type: none"> • Shore power • SOx Scrubbers • PV system for water wells 	
	• Effluent and waste treatment	<ul style="list-style-type: none"> • The crew are required to strictly comply with the ship's garbage management plan to minimise the negative effects on the marine environment 	<ul style="list-style-type: none"> • Ship deceleration plan • 24-hour dynamic monitoring 	
	• Environmental protection	<ul style="list-style-type: none"> • Strengthening environmental protection awareness • Participating in environmental protection activities 	<ul style="list-style-type: none"> • Controlling the discharge of ships' ballast water • Protecting blue whales and blue skies 	
Social	• Employment and diversity	<ul style="list-style-type: none"> • Maintain equal and diversified employment opportunities • Anti discrimination policy • Equality, diversity and inclusion Policy • Employee Code of Conduct Policy 	<ul style="list-style-type: none"> • Employee Training and Development Policy • Equality, diversity and inclusion Policy • Interactive skill building thematic activities 	
	• Ensuring employees' occupational health and safety	<ul style="list-style-type: none"> • Safety inspection • Labor protection 	<ul style="list-style-type: none"> • Medical test • Safety education 	
	• Protecting employee rights	<ul style="list-style-type: none"> • Child Labor Policy 	<ul style="list-style-type: none"> • Workplace Health and Safety Policy • Employee Rights Policy 	
	• Employee care and assistance	<ul style="list-style-type: none"> • Actively organise all kinds of activities and strives to create a good working atmosphere for employees 	<ul style="list-style-type: none"> • World Happiness week initiative 	
	• Contribution to public welfare	<ul style="list-style-type: none"> • Poverty alleviation 	<ul style="list-style-type: none"> • Health and Welfare Plans • Volunteer activities 	



2022 Sustainability Progress: Creating the Foundation for Responsible Growth





2022 Sustainability Progress

Creating the Foundation for Responsible Growth

In 2022, we made significant progress in our sustainability journey, heading toward carbon-neutral shipping. Because we believe in responsible growth, we have aligned our business plans with our sustainability goals. Sallaum Lines formed dedicated governance and business teams and formulated explicit business implementation and regulation procedures. It performed regular audits and inspections to fulfil its obligations to shareholders and social responsibilities.

First and foremost, we made sure Sallaum Lines complies with all relevant environmental, social, and business ethics and regulations and meets the increasing demand for sustainability transparency and other emerging requirements. We also set up a conscious governance structure. We restructured our Global Sustainability Committee to ensure sustainability goals are actively involved in our decision-making processes.

In addition, Sallaum Lines made sure that our stakeholders prioritise sustainability strategy, reporting and engagement in their everyday work. They made sure to align their performance expectations with our green shipping goals. Over the last year, the focus has been on providing transparency of responsible business practices and sustainability innovation efforts in all our customer and partner relationships.

The following 2022 overview is based on the principles of environmental, social and governance (ESG) reporting. Let's take a closer look at sustainability implementation at Sallaum Lines and what were our actions and commitments across the four focus areas:

- Governance
- Economic
- Environmental
- Social





Governance Actions & Commitments





Governance Actions & Commitments

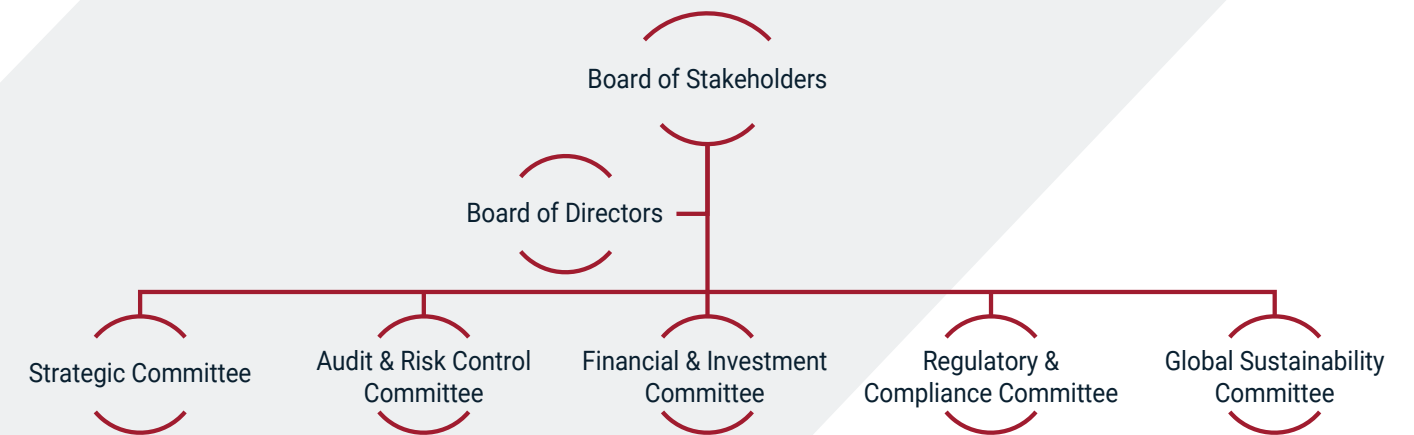
To achieve sustainable development - balanced economic growth and the conservation of natural resources - organisations need to implement regulations and establish governance structures that will monitor their implementation.

Sallaum Lines established a conscious governance structure anchored in our Board of Directors and the Executive Leadership Team. It governs sustainability implementation and integrates it into core business processes related to strategy, performance, planning, and risk management.

All committees under the Board of Directors support sustainability regulations and compliance. The sustainability team - the Global Sustainability Committee - implements sustainable development-related work. Leaders in charge of the company and the heads of each department make the sustainability team, whose responsibilities include:

- Risk identification related to sustainable development
- Communication with stakeholders and discerning important topics
- Data collection and reporting

The sustainability committee reports to the Board of Directors at least twice a year, which is an effective communication and decision-making mechanism. Besides reviewing the annual sustainability report, the Board of Directors conducts at least one audit annually to enhance internal monitoring and increase the efficiency of relevant measures and action plans.



To accelerate our efforts, particularly around decarbonising logistics, in 2022, we expanded the Global Sustainability Committee.

It includes an executive member responsible for preparing work plans and strategies and ensuring alignment across the company. This executive is supported by a broader decarbonisation advisory group, which defines a set of workstreams covering: commercialisation, energy efficiency, fleet and network, retrofitting, new fuels, sourcing, and framework conditions.



Compliance as an Active Commitment

As a highly ethical and law-abiding organisation, Sallaum Lines puts regulations and compliance in its business foundation. Our commitment to compliance starts with internal governance, including anti-corruption and probity requirements for all employees. Here are the upgrades from 2022:

Improved Management System

To establish the regulation of our anti-corruption work, we have developed two new directives:

- Working Rules of the Coordination Group for the Construction of an Honest Party and Anti-corruption Work
- Assessment Measures for Party Conduct and Anti-corruption Work Performance

New Reporting Channels

We have enhanced our anti-corruption reporting to encourage our employees to disclose possible corruption. We have set up independent departments that receive messages, calls and visits and have dedicated phone numbers and email addresses. We are taking the highest protection measures in safeguarding whistle-blowers' data while protecting them from discrimination.

Our commitment to the anti-corruption policy includes close attention and investigation of any report clue, personal accountability, and closing supervision loopholes. Furthermore, in case of identifying illegal behaviours, bad actors shall be appointed to relevant departments, the company's management, and legal entities and institutions in more severe cases.





Regular Supervision and Audits

To strengthen our anti-corruption practice, we engage internal and external independent entities. They conduct comprehensive annual audits and risk identification assessments to detect frauds, defects and deficiencies. The problems identified during those audits adhere to company policies, after which the inspected department needs to implement changes.

Relevant company departments assist the independent investigation and ensure the risk response plans are integrated. In addition, audits and risk assessments are a part of the regular reports submitted to the management and the Board of Directors.

Anti-corruption Activities and Education

To encourage ethical practice and self-discipline, we initiate regular anti-corruption promotional activities and training for all employees. For example, in 2022, our leadership organised a competition across all departments where employees answered questions about anti-corruption and probity through online platforms and written forms. The goal was to enhance employees' anti-fraud awareness. We also organised our employees' visits to the anti-corruption education base and exhibitions to use the available resources fully.



Economic Actions and Commitments





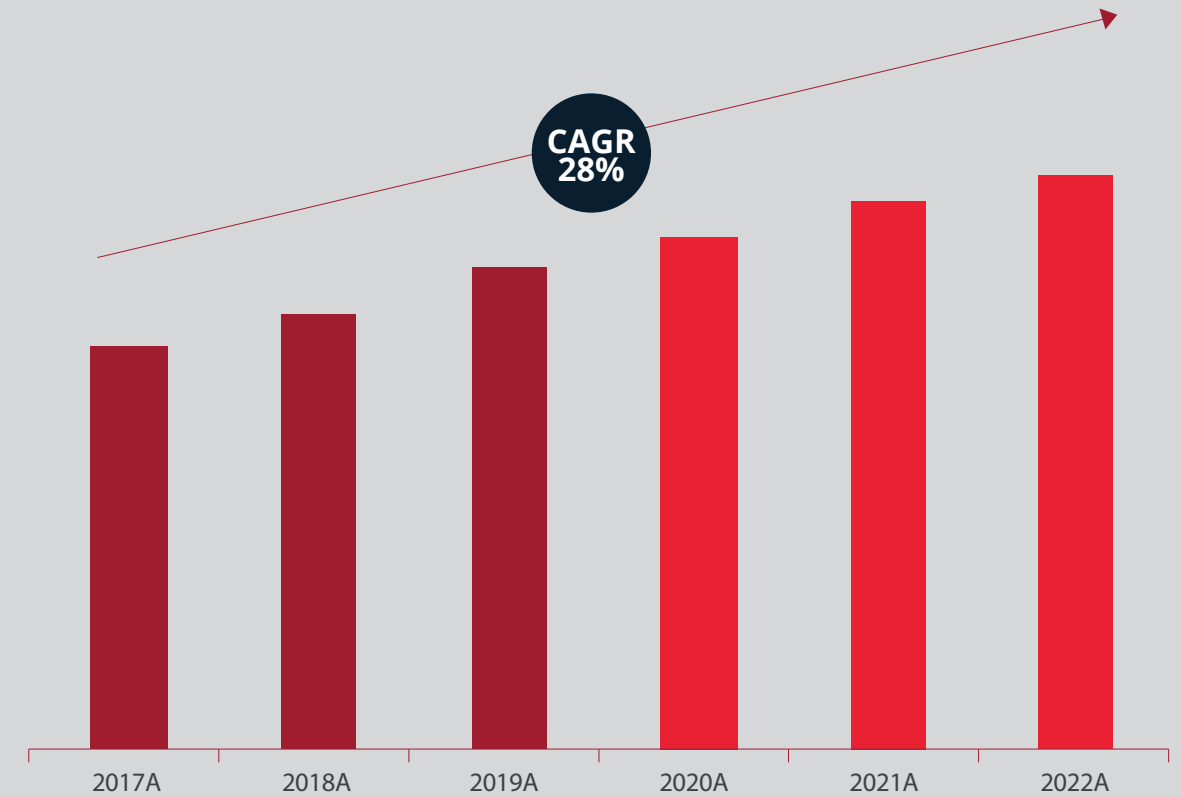
Economic Performance Leading to Prosperity

"Contrary to popular belief, we do not face a choice between economy and ecology. It is often said that protecting the environment would constrain or even undermine economic growth. In fact, the opposite is true: unless we protect resources and the earth's natural capital, we shall not be able to sustain economic growth."

- Kofi Annan, former Secretary-General of the United Nations

Over the three decades of its existence, Sallaum Lines had tremendous growth driven by its reputation, flexibility, solid infrastructure, wise management, and strong client relations.

The revenue increased more than three times from 2016 to 2022



The company's revenue increased by more than 3.4x folds over the 2016-2022 period equivalent to a CAGR of 28%.

The pandemic temporarily slowed down growth, challenging the automotive industry with the semiconductor shortage. As a result, manufacturers had to stall or decrease their production lines. However, that sector is moving back to the growth side. The LMC Automotive forecasts a dramatic increase in global vehicle production throughout 2023, expecting an increase of four million more vehicles compared to 2022. The semiconductors are already on their path to recovery with alternative solutions, like capacity allocation and more resilient management. We stand ready for the expected production expansion in the second half of 2023, bringing more contracts and transporting requirements for the European market.

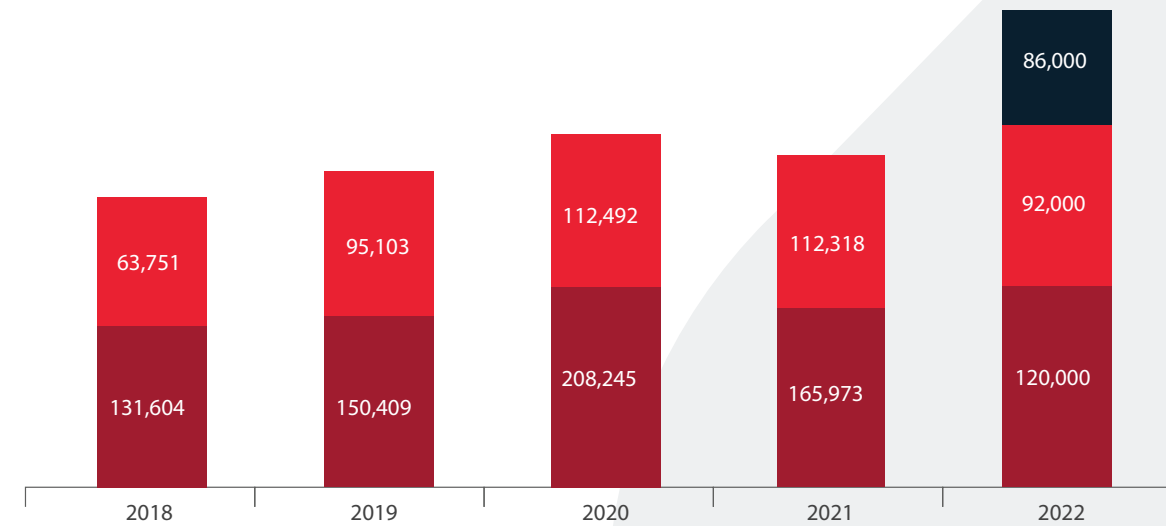


Since its inception, Sallaum Lines has shipped more than three million CEUs.

While Europe makes up most of our voyages, we have created more revenue balance by increasing our exposure to the US market with more favourable pricing.

Annual CEUs

● Europe ● USA ● South Africa

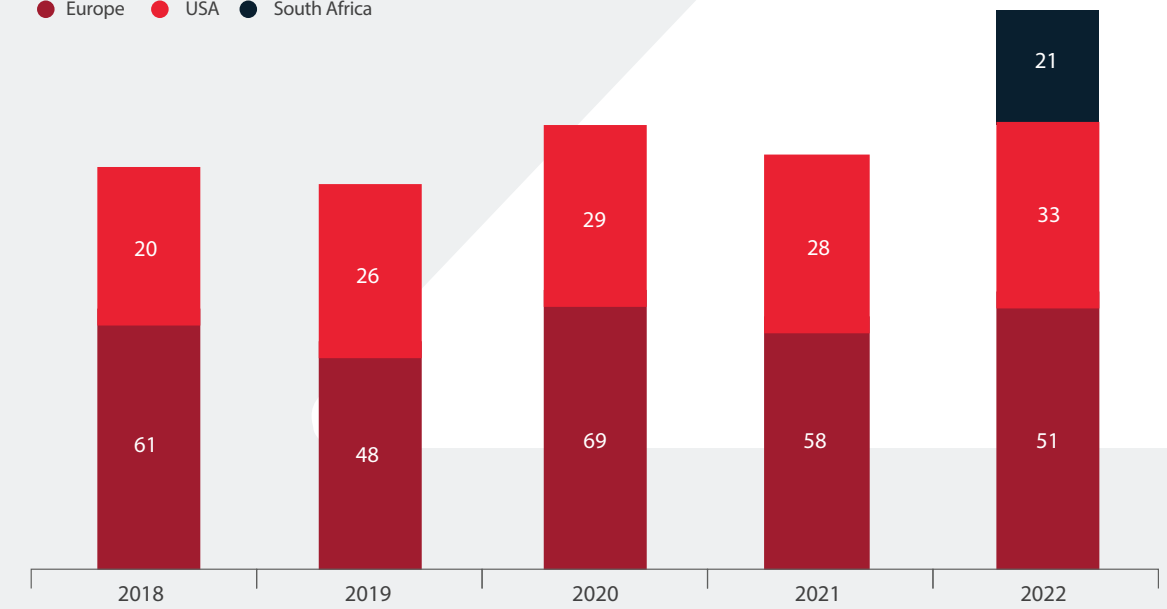


Since inception, the company has been following an aggressive expansion strategy via constantly attempting to penetrate new markets

In total, we had 105 voyages in 2023, which is at the 2019 levels and in line with the market.

Number of voyages

● Europe ● USA ● South Africa



Since inception, the Company has been following an aggressive expansion strategy via constantly attempting to penetrate new markets.



Enterprise Income Tax

The company complies with the Swiss tax laws and regulations alongside other relevant tax regulations of the jurisdictions in all countries where we operate. During the reporting period, Sallaum Lines fulfilled all its local tax obligations across those countries without having any tax disputes or fines for violations of tax regulations.

Customer at the Centre

High-standard Services

In 2022, we improved our customer service standards worldwide by covering the whole process of international liner shipping services:

- Space booking and booking response were upgraded to an instant booking confirmation service (right after the shipping instructions are received from the customer)
- The issuing of a bill of lading was accelerated to one working day after the vessel departure, shortening the time to the targeted eight working hours in internal tracking (starting immediately after the cargo is shipped onboard)

Managing Customers Complaints and Satisfactions

Sallaum Lines conducted a customer satisfaction survey worldwide, including Europe, the USA, and Africa. The statistics showed that customer satisfaction increased in 2022 compared to 2020.

Customer Privacy Protection

Our duties include the protection of customer information and respecting customer privacy. In 2022, we continued our efforts to improve customer privacy protection and prevention of any loss or illegal use of customer information. We will not share customer information with others except with our employees, agencies authorised by the customers, partners, and subsidiaries. Additionally, we will not disclose or sell customer or prospect information. We haven't received any customer complaints due to a violation of customer privacy.





Growth Driven by Technology

While keeping pace with technology as the fastest-growing industry, shipping companies constantly adopt new solutions that transform their products, services, and operations.

Sallaum Lines supported a business-changing software solution for all RoRo shipping business needs: from online booking supported by vehicle references data and VIN decoder, across booking confirmations and dock receipts, to automatically generated customs declarations, integration with preferred shipping lines and automated invoicing process.





Enhanced RoRo Booking

Create, manage, and search booking with input forms explicitly created for RoRo even using a smart phone accessible over cloud from anywhere



Easy-to-Use vessel Allocation

Automatically allocates the cargo to its corresponding vessel based on the shipping instructions, cargo specifications, voyage cutoff, and ETD



Predefined Vehicles reference Data

13500+ predefined vehicle makes and models with the vehicle category type and standard dimensions and measurements (LxWxH and Weight)



Smart Vehicle type Recognition

Predefined rules to automatically set the cargo based on the vehicle dimensions and specifications



RoRo Stock Management

Manage and control your RoRo from the minute it enters your stock using Logisoft desktop, Logisoft handled apps, and barcodes



Electronic Data Exchange

Send and receive data electronically to and from all stakeholders involved in the shipment, such as customs, carriers, and terminal operators



Built-in RoRo Shipping Documents

Built-in documents for vehicle shipping and transportation



Full Operational Accounting

Built-in Accounting modules supporting the RoRo Shipping Requirements



Online Customer Portal

Improve customer experience with access to real-time information 24/7 and remove costly non-value-adding data entry task



Fast AES Filing

Send electronic export information (EEI) to the U.S Custom ACE portal using pre-filled templates



Environmental Actions and Commitments





Protecting the Environment in Day-to-Day Operations

Sallaum Lines has joined the world's largest corporate sustainability initiative - the United Nations Global Compact – that sees businesses as the force for the common good. Our business approach aligns with this UN mission. We endorse its ten principles on human rights, labour, environment, and anti-corruption. We take this obligation and responsibility very seriously in conducting a responsible and transparent business. Sallaum Lines ensures that the people, environment and marine life are protected and considered in our strategy and day-to-day operations.

Here are our top environmental tools, solutions, and activities implemented so far:

Energy Conservation and Emission Reduction

When we talk about the energy our vessels use, we talk about energy savings and reducing harmful emissions. We have started fitting our vessels with the latest technologies and solutions to meet the regulatory energy and emission standards that aim to preserve the environment and marine life. Additionally, we have developed medium and long-term schemes and annual plans for energy conservation and fewer emissions, which are discussed in regular meetings. We are always looking for new "green" ways in shipping operations, with a final target of 0 carbon emissions by 2050.

Using Cleaner Fuels

On January 1, 2020, the IMO's Marine Environment Protection Committee decided that the sulphur level in fuel oil that ships transport worldwide cannot exceed 0.5%. That limit is even lower for specific control areas and goes below 0.1%. Therefore, ships need to have desulphurisation equipment, or they will be prohibited from carrying fuel oil with excessive sulphur content, as decided by the IMO.

We strictly abide by these regulations and implement allowed sulphur limits. We believe this is our daily, active contribution to the overall CO2 emissions reduction that leads to a greener and safer planet. For now, we will mainly use low-sulphur fuel oil. However, as described in the next paragraph, we are experimenting with other compliance methods, such as installing desulphurisation towers on diesel engines.

Sox Scrubbers

Burning fossil fuels in diesel engines create toxic sulphur oxide (SOx) emissions that harm the environment and can damage our health. So right after the IMO established a global SOx cap at 0,5% in 2022, we installed the first SOx scrubber. It's an exhaust gas cleaning system (EGCS) used to remove harmful elements from exhaust gases through a cloud of water. Scrubbers are proven to produce cleaner air, improve fuel quality, and positively impact human health.



24-hour Operations Monitoring

Our vessels' voyages are constantly monitored so that we can improve the fleet's fuel efficiency and operating performance. To implement our company's safety and efficiency operation goals and ensure closed-loop management of fleet operating costs, we rely on:

- ship fuel budget management (pre-guided)
- operation monitoring (during the event)
- fuel cost analysis (post-analysis)

We also have daily, 24-hour, dynamic ship monitoring that includes tracking and reporting ship stoppages, tracking detours, medical rescue, and other changes. Following best practices in ship operations, we adhere to the combination of stable working conditions and optimal shipping routes and strive to achieve safety and on-time and economically balanced ship operations.

Waste Management

Sustainable development includes careful waste management. Different types of waste are generated on-board: through machinery, cargo operations, and crew's living spaces. They are collected, recycled, and discharged on land to port reception facilities. Besides, waste is produced throughout ballast waters that ships need to maintain sailing stability, which can impact marine biodiversity, carrying different organisms and pathogens. To protect coastal and marine life, we have made several improvements to our waste management:

- In 2022, we implemented Water Ballast Treatment System (BWTS) on 35% of our vessels. We plan to increase that percentage to 85% in 2023. This system removes and destroys inactive biological organisms such as zooplankton, algae, and bacteria from ballast water.
- Following the regulations of MARPOL 73/78, Resolution MEPC.219 (63), and MEPC.220 (63), our vessels' on board waste is handled as proposed by our Garbage Management Plan. The plan specifies the responsibilities of all crew members and training on current regulatory obligations regarding garbage collection and disposal. The waste management process is tracked through our Garbage Record Book.

According to VesselsValue Ltd, only 25.6% of global PCTCs (Pure Car & Truck Carrier) currently have BWTS systems implemented. Unfortunately, the other 74.4% of these vessels are not using BWTS technology, negatively impacting regional biodiversity, public health, and economies based on the fishing industry



Spills Prevention

Filling up the fuel tank may cause accidental spills and overflows during the bunkering process. To prevent spills on vessels and in terminals, we are taking measures that lower these risks:

- we follow stringent procedures within the bunker checklist
- we ensure regular fleet maintenance and meticulous check-ups of the overflow alarms that signal fuel tank levels
- our crew is instructed to take extra care while actively monitoring the bunkering process and the entire voyage and not to wait for the overflow alarm to go off

Preserving Marine Life

Sallaum Lines is a proud donor to several international organisations focused on preserving marine life. We are particularly committed to the UN Sustainable Development Goal No. 14, "Life Below Water," aimed to protect and restore ecosystems by supporting the Marine Conservation Institute. Reversing nature loss could account for roughly 30 per cent of global action needed to stabilise our climate. That's how much we must ensure by 2030 to avoid drastic consequences for humanity. We fully support that goal and forge a strong partnership with the Institute.

We actively help the Institute create the necessary connections, build a conservation network, and provide resources for the daily work of wildlife rangers and environmental managers. To help them develop the Blue Parks project, we focused our contribution on preventing the destruction of high-carbon ecosystems. We are focused on safeguarding remaining mangrove forests, salt marshes, sea grass beds, and other critical coastal habitats that actively sequester carbon.





Protecting Blue Whales

At Sallaum Lines, we admire and aim to protect our vessels' largest marine companions – the blue whales. So during their high season, when these sea giants are particularly vulnerable, our ships follow the instructions to slow down their speed to 10 knots or less. That minimises the impact on blue whales' routes crossing our POLs on the US East Coast. At the same time, the ships' low-speed mode reduces the emission of greenhouse gases and other pollutants.

Strengthening Environmental Protection Awareness

We continuously educate our employees to increase their environmental awareness and are proud of our 'green office' practice, implemented across our enterprise. We all make a difference with as little as practising double-sided printing, saving paper, recycling, saving electricity and similar small, daily actions. In addition, we make environmental protection a natural act for our employees on International Coastal Clean-up Day. That's when we gather to clean up the coastal area from ocean trash and marine debris.

Participating in Environmental Protection Activities

To raise environmental awareness and encourage our employees to participate in meaningful activities in the office and their residential communities, Sallaum Lines established a special "Green Week." Once a year, we commit a whole week to activities like planting trees, resource conservation, and environmental protection education and initiatives. In addition, on March 30, 2022, we participated in the global Earth Hour organised by the World Wildlife Fund, when we turned off non-essential electric lights for one hour.





Electric Port Charging

In 2022, we made essential preparations for our goal of transforming the Sallaum Terminal at the Port of Antwerp into a home for electric port vehicles. In 2023, we will replace our port terminal's transport system with diesel-powered vehicles and a complete electrical system. The planned automated charging stations will allow a fast and environmentally friendly charge of these vehicles.

Renewable Energy

The Port of Antwerp houses the largest wind farm on the Belgian mainland, with 80 wind turbines in the port area producing +200 megawatts, which can supply electrical power to 140.000 households. Four of these windmills are in the Sallaum Terminal area, so we use only wind energy for electric power.

Empowering Barge and Rail Transportation

As defined in the new European Environment Agency (EEA) study, different freight sector participants produce different levels of greenhouse gas (GHG) emissions. Therefore, EEA has created a hierarchy based on the environmental impact, where rail and barge transport have the lowest emissions per kilometre and unit transported. At the same time, other transportation methods emit significantly more.

Objectives include prioritising rail and barge transport and improving the GHG efficiency of all motorised forms of transportation. Here at Sallaum Lines, we place minimising total transport emissions and the prevention of damaging the environment amongst our highest priorities. Our terminal has good rail connections, barge services for suitable locations, and limited transport distances to main markets and manufacturing facilities.





Social Actions and Commitments





Employees at the Centre

At Sallaum Lines, we see our employees as the key to our success. As they continue their career journey with us, we constantly invest in their professional and personal development. By putting diversity and gender equality amongst the company's core principles, we also look to ensure different training for our staff. In addition, we take all necessary measures that ensure a healthy, safe, and harmonious working environment.

Team Diversity and Gender Equality

We have always been committed to creating a diverse workplace that accepts national, religious, and other differences while promoting gender equality. We have the vision to promote more women to senior and leadership positions in the upcoming years as we believe empowering hard-working women is pivotal. Our offices and agents are located on three continents and unite over 19 nationalities, with approximately 50% male and 50% female employment ratios.

We strongly believe such diverse team results in more progressive business ideas. It also cultivates tolerance, creates a pleasant working environment, and adds value to our company - and the broader community. In addition, we actively promote and work on standards that recognise the importance of work-life balance and ensure all our employees are treated fairly and equally.

Employee Training

We love to see our employees thrive, so we ensure they have all the necessary tools that help them reach their career goals. Sallaum Lines constantly invests in employee education, training, and professional growth. Each employee gets five full days for a chosen training program every year. We encourage them to learn a new skill, develop knowledge, and broaden their professional horizons.

Our training guides tailored to each department are updated every year and enhanced with data and analytics and practical knowledge shared by our senior professionals. In 2023, we plan to introduce annual staff workshops to create a more interactive working environment and motivate our employees to connect and grow their skills.

Finally, through the annual employee assessments, we measure their performance and productivity, resulting in promotions and awards for those with admirable results.



Health and Safety

Because health always comes first, we ensure that all our employees have health insurance. In addition, providing a safe workplace is of utmost importance at Sallaum Lines. It includes regular risk assessments and education about risks, consequences, and prevention.

Our Seafarers

We are fully aware of the seafarer's lifestyle specifics, including spending months onboard and in deep blue waters apart from their families and communities. We always try to make their life on the ship better and slightly more manageable, where our efforts go beyond the minimum requirements proposed by the ILO MLC 2006 standard. We have high accommodation standards and promote onboard social life and interaction with diverse activities. Sallaum offices are in constant contact with the captain to communicate the crew's needs and resolve any issues they might have.

Our Response to the Covid-19 Pandemic

In May 2022, Sallaum Lines initiated a vaccination program against the COVID-19 virus for all our seafarers. We had a 100%-response, and by the end of 2022, all our seafarers received their initial vaccine doses (Pfizer, Sinopharm, Moderna, or Janssen). In addition, all our vessels and offices have been applying other COVID-19 that reduce the virus spread, such as social distancing and regular disinfection.

Work-Life Balance

Sallaum Lines is committed to creating a balanced working environment and often organises engaging programs for our employees, such as cultural, educational, or fun activities. This approach is proven to increase team productivity while uplifting spirits and improving our work atmosphere. We care about the well-being of our employees, so there are no excessive working hours at Sallaum Lines. Our HR team is always ready to listen and assist the employees with any issues.



Community and Public Welfare Contributions

In all countries where we operate, Sallaum Lines takes social responsibilities as a corporate citizen while contributing to and supporting organisations and people in need.

Sallaum Humanity Foundation

We founded our non-government foundation in 2018, Sallaum Humanity Foundation (SHF), with the primary goal of improving living conditions in local communities and providing equal opportunities for all. Sallaum Lines delivers the budget and the efforts of volunteers and sponsors worldwide. It also ensures that members of different underprivileged communities have access to primary education, essential healthcare services, and training in vocational skills.

Scholarships for Thousands of Students

We firmly believe that by investing in youth education, we help young people succeed and design their future of prosperity and health. In 2022, SHF provided financial aid and scholarships to 2,804 students. Our vision for 2023 is to build schools in the emerging countries of West Africa.



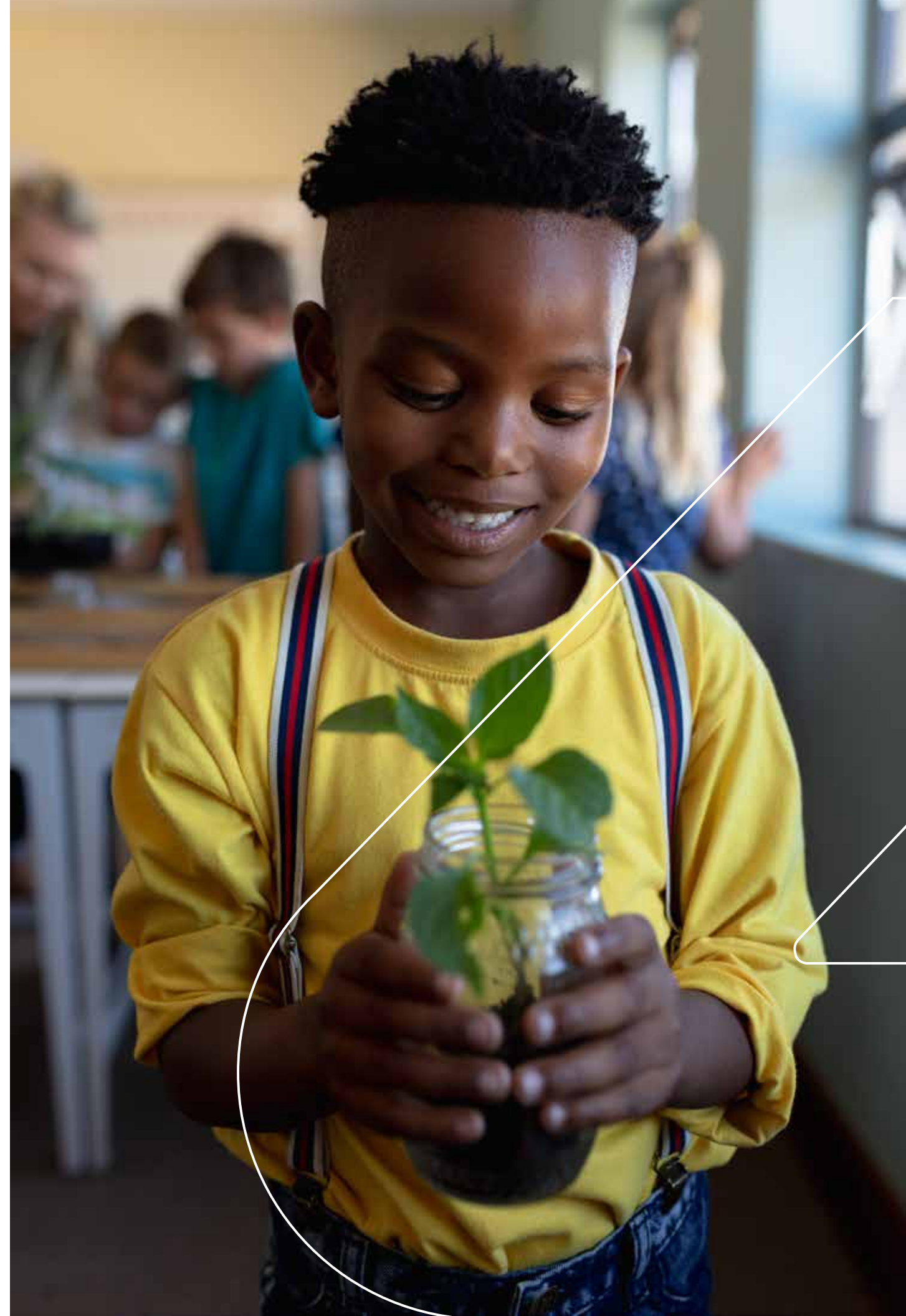
Financial Support

Poverty is unfortunately still one of humanity's most significant challenges, and sometimes the best way to help is to provide concrete means for people in need. Providing multi-purpose financial support has been one of the main pillars of the Sallaum Humanity Foundation's work in Lebanon. We have helped 8,584 Lebanese families by providing money to cover their basic life and business needs. Other programs include micro credits, development projects, and humanitarian aid.

Volunteering in Africa

The first objective was to address the issue of ocean waste in Benin and Nigeria, which poses significant environmental and health risks. By organizing clean-up activities, the volunteers aim to remove waste from the coastline, promoting a cleaner and healthier environment for local citizens.

The second objective focuses on improving access to fresh water sources. Clean drinking water is essential for the well-being of communities, but some regions in Benin and Nigeria may lack access to safe water. For that matter, we have developed initiatives that involve building wells to ensure a more sustainable and reliable supply of fresh water.





**Sallaum
Lines**

2022

SUSTAINABILITY REPORT