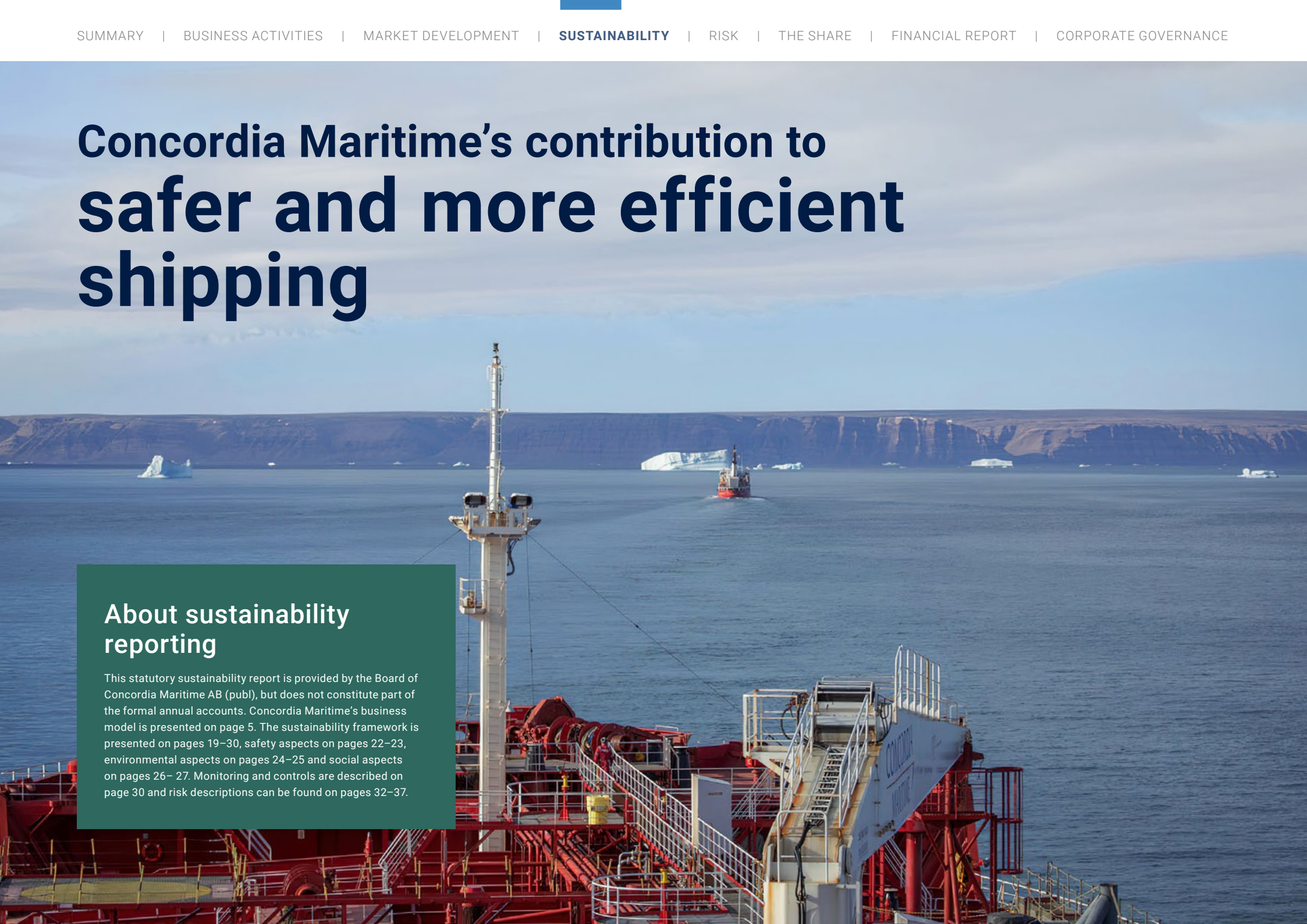


Concordia Maritime's contribution to safer and more efficient shipping

About sustainability reporting

This statutory sustainability report is provided by the Board of Concordia Maritime AB (publ), but does not constitute part of the formal annual accounts. Concordia Maritime's business model is presented on page 5. The sustainability framework is presented on pages 19–30, safety aspects on pages 22–23, environmental aspects on pages 24–25 and social aspects on pages 26–27. Monitoring and controls are described on page 30 and risk descriptions can be found on pages 32–37.



Focusing on continuous improvements

CONCORDIA MARITIME HAS LONG BEEN at the forefront of tanker shipping in terms of safety and quality. The most relevant sustainability issues include minimising the risk of accidents and continuously reducing the impact of the Company's operations on the environment. The work is carried out on a long-term basis and is monitored according to a structured plan headed by the CEO, who is also responsible for continuous reporting to the Board.

In close cooperation with partners

Concordia Maritime's sustainability efforts are largely reflected in the work carried out in each partner's operations. The Company works continuously with Stena Bulk and Northern Marine Management to develop working practices and technical solutions to improve the environmental performance, thereby enabling emission requirements to be met and a safe work environment to be provided for seagoing employees. The work is based on three components:

- **Fleet Assessment Model:** a model to improve understanding of the fleet vessels' status in terms of existing and future regulations and legal requirements – and what can be done to ensure compliance.
- **Operational and Commercial Measures:** analysed in order to identify the effect of different factors on sustainability performance. This includes the evaluation of alternative fuels.
- **Behaviour Based Safety:** a systematic and standardised method of identifying and reporting risks on board vessels.



Stena Polaris in Jacksonville, Florida.

Three focus areas for sustainable tanker shipping

Principles and guidelines

A clear framework sets out the guidelines on how Concordia Maritime should act as a responsible company and employer.

Partnerships and collaboration

Influence is exerted by working closely with partners and other forms of collaboration.

Monitoring and controls

A structured approach to monitoring and controls creates conditions for measuring and improving the Company's sustainability performance.

The basis of sustainability work

Care Care and quality in everything we do.

Innovation An innovative corporate culture helps us to perform and improve.

Performance First-class performance.

Transparency What we report must be transparent, relevant and linked to the most important issues for our business.

1

Providing safe tanker transport

Concordia Maritime's operations must be conducted in a manner that protects employees, the environment and vessels. A strong safety culture at all levels of the organisation is needed to prevent the risk of accidents and incidents. Learn more on pages 22–23.

2

Reducing our environmental impact

Concordia Maritime is strongly committed to reducing the impact of its operations on the environment. Continuous work to counter the risk of spills and to increase energy efficiency is conducted within the organisation and with other stakeholders. Learn more on pages 24–25.

3

Taking responsibility for employees and society

Concordia Maritime is a responsible employer and community participant, promoting good working conditions, equality, human rights and anti-corruption. Learn more on pages 26–27.

1 Providing safe tanker transport

FOR A TANKER SHIPPING COMPANY, safety always comes first. To prevent the risk of accidents and to minimise any damage should an accident nevertheless occur, Concordia Maritime and manning company Northern Marine Management devote considerable resources to the continuous development of vessels, procedures and crews. There is a strong focus on identifying potential risks and hazardous operations on board the vessels.

Systematic risk identification

Systematic risk identification is the most important component of continuous improvement of safety on board. On Concordia Maritime's vessels, part of every crew member's daily routine includes spending some time reflecting on how procedures and movement patterns are followed. The reporting is based on a standardised model (Behaviour Based Safety). The observations are compiled into reports, which are then distributed to all vessels in the fleet.

The systematic safety work is clearly reflected in the number of injuries and LTIFs, with Concordia Maritime for many years being significantly lower than the industry average.

We are pleased to report a year without any lost time injuries

It is pleasing to note that during the year, there were no workplace incidents resulting in the individual employee being unable to return to a work shift on the following day (lost time injury). However, there was one minor incident classified as



Stena Provence approaching Rio de Janeiro.

AMBITION AND FOCUS

- To ensure ships and routines are of the highest quality
- To continuously increase the safety of employees on board ships

ACTIVITIES AND INITIATIVES

- Systematic risk identification
- Behaviour Based Safety model for standardised reporting and follow-up
- Continuous exercises and skills development
- External controls and inspections by customers and port states
- Proactive work to prevent hijackings
- Unannounced tests and random checks regarding zero tolerance for drugs and alcohol



a restricted work case. On *Stena Performance*, a crew member suffered a sprained ankle during a lifeboat launching exercise.

There was one minor incident classified as a medical treatment case during the year. A crew member injured a finger while working on a lathe. Three incidents classified as high potential near misses occurred.

There were three incidents that resulted in damage to property during the year. The first involved *Stena Polaris*, which was run into by a tugboat while anchored in port. The collision was very mild. After inspection, there was nothing found to report. The second concerned *Stena Penguin*. The vessel was safely moored when swell waves from a larger vessel caused damage to the gangway. The third incident, in the fourth quarter, occurred on *Stena Performance*, when two ropes were destroyed during the use of tugboats. Overall, a positive result for the year.

Continuous skills development

Working at sea places high demands on officers and ratings on board. In addition to comprehensive international regulations, there are also stringent internal requirements and procedures to ensure safety on board. To ensure that quality, environmental and safety demands are met, we provide continuous skills development. This is done through training activities that are both general and specially adapted for a specific vessel.

Zero tolerance for drugs and alcohol

There is zero tolerance for alcohol and drugs on board Concordia Maritime's vessels and the captain of each vessel is entitled to carry out unannounced tests. Random

checks are also conducted regularly by third parties. Tests were carried out on all vessels in 2022 and on no occasion was any effect of alcohol or drugs identified.

External controls and inspections

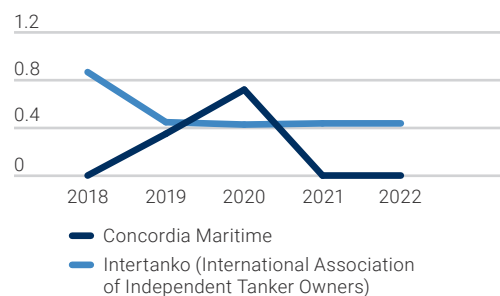
There were 16 vetting inspections on board Concordia Maritime's vessels during 2022. There were 45 observations recorded during these inspections, corresponding to an average of 2.8 observations per inspection. There were also 7 port state controls during the year. None of these resulted in observations of a serious nature.

Efforts to prevent and deter hijacking

Concordia Maritime works actively to reduce the risk of hijacking or other types of threats. The work is regulated by recommendations from international maritime organisations and by the IMO's ISPS (International Ship and Port Facilities Security) Code. The Code contains requirements regarding ships' equipment and requires every ship to have security procedures and a trained person responsible for this area.

Concordia Maritime's partner Northern Marine Management (NMM) has a separate department that conducts a risk analysis before each voyage. None of Concordia Maritime's vessels were involved in any piracy-related incidents during 2022.

LTIF compared with the sector



2 Reducing our environmental impact

SHIPPING IS ONE OF THE MOST energy-efficient ways of transporting large quantities of goods. However, as in other sectors, emissions must be reduced to meet global climate targets.

Together with its partners, Concordia Maritime engages in systematic, long-term work on minimising the impact. There is a strong focus on ensuring efficient fuel and energy use. Activities and measures include continuous monitoring of vessels' energy consumption, and systems and routines that enable speed and route optimisation based on weather conditions, demurrage, bunker costs and customer needs.

The work includes procedures related to operation at sea, as well as waiting in port. All ships have a designated Energy Management Officer on board, with specific responsibility for ensuring efficient use of energy and resources on board. All senior officers are trained in current focus areas for energy saving.

Data-driven analysis

Concordia Maritime and Stena Bulk have for some time been working on data-driven analysis of both individual vessels and the fleet as a whole. The work is based on a digital platform, OrbitMI, which enables continuous monitoring and optimisation of ship operation. Concordia Maritime and technical manager Northern Marine Management will also connect the vessels to the Storm Geo S-Insight fleet performance management system in 2023. The platform collects and analyses data from the vessels on a daily basis to enable measures to be taken for achieving higher efficiency and lower emissions. It also facilitates emission reporting to the relevant authorities.



AMBITION AND FOCUS	ACTIVITIES AND INITIATIVES
Reduce emissions from operations	<ul style="list-style-type: none"> ■ Energy management ■ Route planning based on real time data ■ Technical measures to increase fuel efficiency and reduce emissions ■ Evaluation of alternative fuels and CCS (carbon capture and storage)
Reduce the impact on the marine environment	<ul style="list-style-type: none"> ■ Installation of ballast water treatment systems ■ Routines to reduce the risk of oil spills ■ Reduction of discharges of waste water ■ Phasing out single-use plastic
Take responsibility for vessels' life cycle/value chain	<ul style="list-style-type: none"> ■ Clear criteria for ship orders ■ Invest in existing tonnage for technical development and maintenance ■ Recycling of ships must always be conducted in accordance with the relevant regulations

However, as all vessels are contracted out on time and bareboat charters, Concordia Maritime does not make over-all operational decisions on voyage charters, bunker purchases and speed. These are handled by the charterer instead.

Lower emissions but poorer emission efficiency

As a consequence of vessel sales, total emissions from the Concordia Maritime fleet decreased during the year. The total reduction was 32 percent. The EEOI, which measures vessels' operational energy efficiency, deteriorated slightly during the year due to the composition of the fleet, with the remaining P-MAX vessels being less efficient than the fleet average for the previous year. The proportion of days in port also increased during the year, which has had a detrimental effect on the figure for certain vessels.

Tougher regulations

The IMO target for 2050 is a 50-percent reduction in total carbon emissions compared with 2008 levels. The EU has set a net zero target for shipping by 2050, which is also the vision for Concordia Maritime. To achieve progress, a number of emission controls have been introduced in recent years, which Concordia Maritime welcomes. In 2023, additional regulations will be introduced that will affect all shipping companies worldwide:

- **Energy Efficiency Existing Ship Index (EEXI)**, an IMO regulation to measure the energy efficiency of existing ships from a technical perspective (not how they are operated). The EEXI requires approximately 20 percent greater energy efficiency compared with a historical baseline. Ways of achieving this include technical improvements and limiting engine efficiency. To comply with the EEXI regulations, an EPL (Engine Power Limitation)

system will be installed on the vessels during 2023. In short, this enables a vessel to limit its maximum engine power, which is not expected to have any negative operational impact. The investment is expected to amount to approximately USD 35,000 per vessel.

- **Carbon Intensity Indicator (CII)**, a controversial IMO regulation to measure operational energy efficiency. The indicator takes into account both the technical performance of the ship and how it is operated. The CII requires annual emission reductions up to the year 2030. These can be achieved through technical energy efficiency improvements, lower speed, renewable fuels and other operational improvements.
- **The EU Emissions Trading Scheme (ETS)** is being amended to include shipping, which will mean increased CO₂ emission costs for travel to and from EU countries.

Measures to reduce emissions of sulphur and nitrogen oxides

In addition to carbon emissions, shipping also affects the environment through emissions of sulphur and nitrogen oxides. The sulphur content of the fuel affects the emissions in several different ways. In addition to determining the amount of sulphur dioxide released, the sulphur content also affects emissions of particles and nitrogen oxides. Maximum sulphur content may differ according to where the vessel is sailing. In sulphur emission control areas (SECAs), the limit is 0.1% m/m. These areas include the Baltic Sea, the North Sea, the English Channel, Canada and the United States. The Mediterranean is also expected to eventually become a SECA area. The limit in non-SECA areas has been 0.5% m/m since 2020. To meet the requirements, shipping companies can use low-sulphur marine fuels or alternative fuels such as methanol, or equip vessels

with scrubbers that clean exhaust gases during use of high-sulphur fuel. Concordia Maritime has decided against investing in scrubbers but has been exclusively using low-sulphur fuels since 2020.

Emissions of nitrogen oxides from shipping have fallen sharply in recent years as a result of tighter regulation, technical improvements and generally lower speeds. The current emission limit values for nitrogen oxides are governed by when the engine was manufactured and when the vessel was built. All remaining vessels in Concordia Maritime's fleet meet the IMO's Tier I standards.

Ballast water management and treatment

To reduce the risk of impacts on local ecosystems, the IMO introduced a ballast water management convention in 2017, aimed at preventing alien organisms from being spread with ships' ballast water. This applies to all ships on international voyages and requires each ship to have a built-in ballast water management and treatment system to remove micro-organisms in the ballast water before it is discharged.

All Concordia Maritime's vessels follow a Ballast Water Management Plan, based on existing guidelines. All fleet vessels also have ballast water management systems installed.

Another year with no oil spills

Oil spills resulting from groundings, collisions or other accidents can have grave environmental consequences. However, with today's safe and modern tanker fleet, and stringent legal requirements and regulations, oil spills are very rare.

Strict reporting procedures enable good control over incidents, both in port and at sea. No Concordia Maritime vessels were involved in any incident that resulted in bunker oil or cargo discharging into the water in 2022.

3 Taking responsibility for employees and society

COMPETITION FOR trained and experienced seafarers is fierce. Attracting and retaining skilled and experienced employees is not only dependent on competitive salaries but also a good reputation as a long-term, responsible employer.

Concordia Maritime and its manning partner Northern Marine Management (NMM) endeavour to be perceived as an attractive employer, offering competitive conditions while also providing stimulating and safe workplaces. Respect for the individual, skills development opportunities and a strong safety culture play a key part in these efforts.

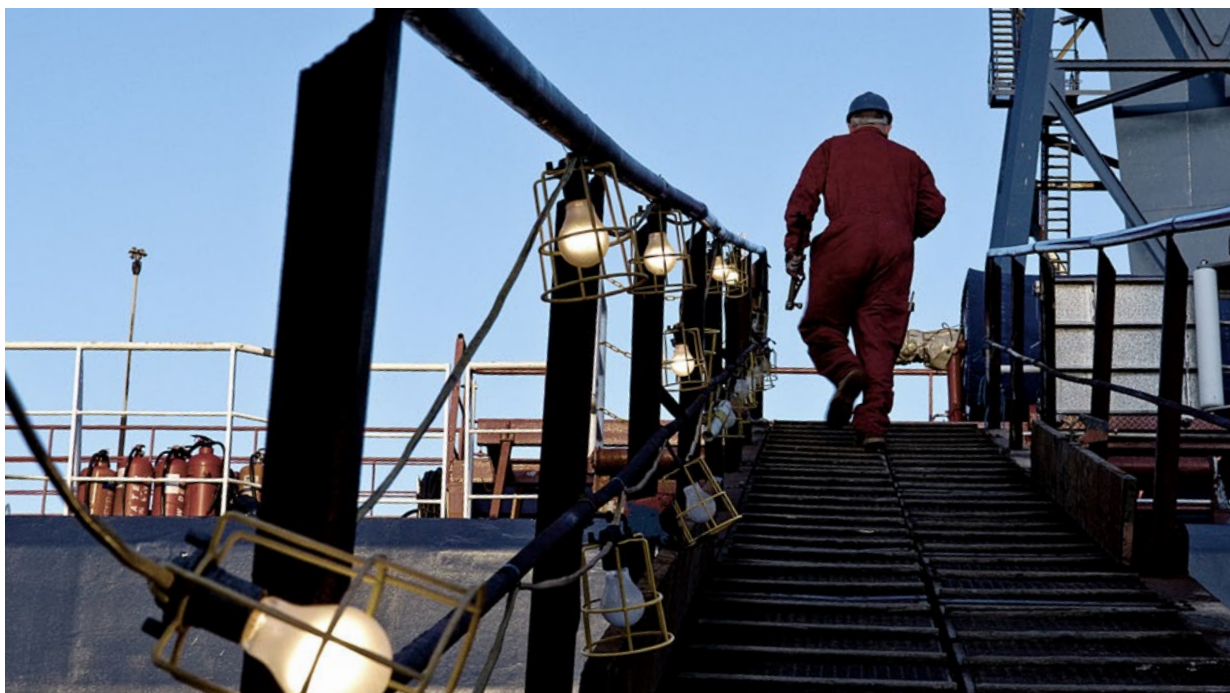
As an international tanker shipping company, Concordia Maritime also has social responsibility. The Company and its partners work according to codes of conduct and guidelines in order to contribute to sustainable development in areas such as corruption, human rights and working conditions at sea.

Development and career opportunities

Concordia Maritime works with NMM to provide employees with opportunities for skills development. Employees are also offered various career options, which means that seafarers can have the opportunity to work on shore in various staff positions. For employees wanting to advance through the ranks, there are clearly laid out career paths, which both NMM and Concordia Maritime encourage.

Low staff turnover

As a result of the vessel sales, the number of seagoing employees decreased during the year. A total of 139 staff



GOAL	ACTIVITIES AND INITIATIVES
Create a safe and stimulating workplace	<ul style="list-style-type: none"> ■ Initiatives for increased well-being ■ Development and career opportunities ■ Fair and competitive conditions ■ Group-wide whistleblower system
Contribute to sustainable social development	<ul style="list-style-type: none"> ■ Zero tolerance for bribery and corruption ■ Requirement for suppliers and partners to comply with human rights ■ Support for Mercy Ships Cargo Day

were employed on Concordia Maritime's vessels at the end of 2022, all hired through the Company's manning partner Northern Marine Management. The year's average staff turnover for seagoing employees was about 4 percent, which is relatively low compared with industry standards. All seagoing personnel on our vessels are covered by ITF (International Transport Workers' Federation) agreements.

A good diet and the opportunity to exercise

Seagoing employment involves long periods at sea and the well-being of the employees is therefore a key element in creating a safe and secure work environment.

In order to improve well-being, NMM is working with Mission to Seafarers, an initiative to support seafarers and their families. The catering partner Oceanic Catering facilitates healthier food onboard. During recent years, certain vessels have been provided with upgraded gym equipment to encourage exercise and fitness. Other initiatives include guidelines for mental health and the "Well at Sea" app, developed by psychologists.

Zero tolerance for bribery and corruption

Within Concordia Maritime, Stena Bulk and NMM, there is zero tolerance for all forms of corruption, including all types of bribery, extortion, nepotism, racketeering and misappropriation. In addition, work to eliminate facilitation payments is also in progress. See also Principles and guidelines on page 29. Concordia Maritime is a member of the Maritime Anti-Corruption Network (MACN).

Human rights

It goes without saying that Concordia Maritime supports the United Nations Declaration on Human Rights and ILO's International Programme on the Elimination of Child Labour (IPEC). The Code of Conduct clarifies that forced labour is not accepted in any form, nor is the use of prisoners or illegal labour in the manufacture of goods or services, either for Concordia Maritime or its suppliers and other partners.

Concordia Maritime endeavours to provide fair working conditions and equal opportunities for all. No employee may be discriminated against or treated differently on the basis of gender, transgender identity or expression, ethnicity, religion or other belief, functional diversity, sexual orientation or age. Likewise, employees' right to freedom of association and collective bargaining must be respected. Concordia Maritime has zero tolerance for harassment and abuse, and does not accept any type of violence, threat or destructive behaviour in the workplace.



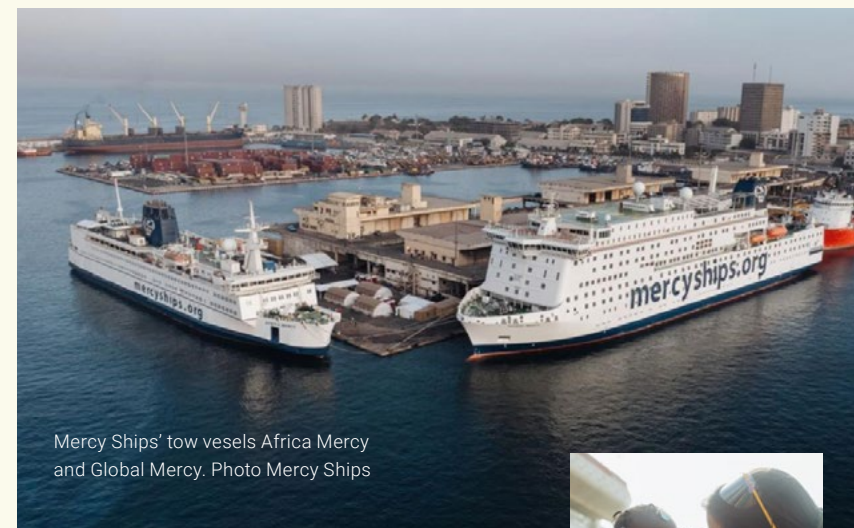
Key figures

Safety	Target 2022	Outcome 2022	Target 2023
LTI (Lost Time Injury)	0	0	0
LTIF (Lost Time Injury Frequency)	0	0	0
Number of inspections with more than 5 observations (owned vessels)	0	0	0
Average number of vetting observations per inspection (owned vessels)	<4	2.8	<3
Number of PSC inspections with detentions	0	0	0
Number of piracy-related incidents	0	0	0
Damage to property	0	3	0
Medical treatment case	0	1	0
Restricted work case	0	1	0
High potential near miss	0	3	0
High risk observation	0	0	0

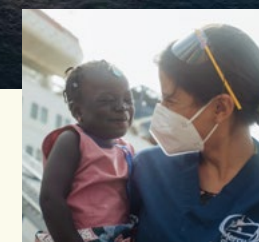
Environmental impact	Outcome 2022	Outcome 2021
Bunker consumption (tonnes)		
HSFO		0
LSFO	44,711	62,666
MGO	8,119	14,738
Total	52,830	77,404
Emissions (tonnes)		
CO ₂	165,278	242,421
SO _x	454	641
NO _x	4,727	6,927
Particulates	57.7	80
Efficiency (EEOI)		
gCO ₂ /tonne-NM	16.13	13.26
Oil spills, litres	0	0

Social	Target 2022	Outcome 2022	Target 2023
Medical treatment case	0	1	0
Restricted work case	0	1	0
Malpractice reported through whistleblower system	0	0	0

Definitions, see page 94.



Mercy Ships' tow vessels Africa Mercy and Global Mercy. Photo Mercy Ships



Life-saving care with Mercy Ships

Concordia Maritime has supported Mercy Ships Cargo Day since 2016. Its purpose is to raise funds for Mercy Ships, a charity organisation that provides free surgery, dental care and other qualified medical care to people in countries where there is no other way to get essential care. Mercy Ships operates *Africa Mercy*, with six fully-equipped operating theatres and six wards with a total of 80 beds on board. In 2022, *Africa Mercy* was joined in relief work in countries in Central and Sub-Saharan Africa by *Global Mercy* – an even larger, purpose-built hospital ship with six operating theatres, 200 beds, a laboratory and an eye clinic. With *Global Mercy*, the capacity to perform life-saving operations and train healthcare professionals is more than doubled.

Principles and guidelines

CONCORDIA MARITIME'S Board and management have jointly formulated and adopted a framework that defines guidelines on how Concordia Maritime should act as a responsible company and employer.

The framework consists mainly of the Company's sustainability policy and code of conduct as well as the external principles and recommendations that Concordia Maritime has undertaken to follow. Other internal guidelines relevant to sustainability include the Board's rules of procedure, the CEO's instructions, the information policy, the financial policy and authorisation instructions.

Sustainability Policy

The sustainability policy describes Concordia Maritime's overall approach to sustainability and the overall principles for control and monitoring of sustainability work.

The Sustainability policy is available on Concordia Maritime's website.

Code of Conduct

Concordia Maritime's Code of Conduct sets out applicable guiding principles to ensure operations are conducted in an ethically, socially and environmentally correct way, and deals with areas such as the environment, social conditions, personnel, human

rights and anti-corruption. The Code of Conduct also deals with relationships with business partners, with Concordia Maritime reserving the right to withdraw from a relationship if a partner does not meet the standards of business ethics that the Group expects.

The Code is based on internationally recognised conventions and guidelines, such as the UN Conventions on Human Rights, the ILO Conventions, OECD Guidelines and the UN Global Compact.

The Code of Conduct is available on Concordia Maritime's website.

Code of Conduct for partners

Concordia Maritime's partners Stena Bulk (chartering and commercial operation) and Northern Marine Management (manning, operation and maintenance) are wholly owned by Stena AB. The companies' operations are subject to Stena's Group-wide Code of Conduct, which sets out applicable guiding principles to ensure operations are conducted in an ethically, socially and environmentally correct way. The Code deals with areas such as environmental issues, social issues, good business practices and human rights. The Code also deals with relationships with business partners, with Stena reserving the right to withdraw from

a relationship if a partner does not meet the standards of business ethics that Stena expects.

The Code of Conduct is available on Stena's website: bit.ly/Stena-CoC

External guidelines and alliances

■ OECD Guidelines for Multinational

Enterprises The OECD Guidelines for Multinational Enterprises are recommendations addressed to multinational enterprises operating or based in any of the OECD countries. The guidelines cover how these enterprises are to relate to human rights, environment and labour.

■ The ILO's Fundamental Conventions

The International Labour Organization's eight fundamental conventions represent a minimum global standard for labour. The conventions address fundamental human rights at work.

■ Maritime Anti-Corruption Network

In 2016, Concordia Maritime became a member of the Maritime Anti-Corruption Network (MACN), an international initiative created by maritime industry players to share experiences and promote best practice in combating all forms of corruption and bribery.

Monitoring and controls

THE CEO OF CONCORDIA MARITIME is responsible for coordinating and running the Company's sustainability work on an overall level and regularly reporting on developments to the Board. The Board continuously monitors the Group's work on sustainability issues. Developments are always dealt with as a separate agenda item at each ordinary Board meeting.

Monitoring with partners

The Company works continuously with its partners, primarily Stena Bulk and Northern Marine Management (NMM), to develop sustainable working practices and further improve the sustainability performance.

There is a quarterly follow-up of the work on safety, environmental and social issues. The results are recorded and used in ongoing improvement work.

Both Stena Bulk and NMM have well-developed procedures and processes to ensure that their operations are conducted in line with defined goals and Concordia Maritime's Code of Conduct.

In 2022, new KYC and sanction control procedures were established. The work is being carried out in close cooperation with Stena Bulk and an external legal partner.

Whistleblower system

Within the Stena Sphere, there is a Group-wide whistleblower system. Employees who discover something that violates Concordia Maritime's, Stena Bulk's or NMM's codes of conduct, policies or applicable law are able to report the malpractice anonymously. The service is provided by an external partner and all information is encrypted to ensure anonymity.

In 2022, no cases were reported that had a bearing on Concordia Maritime's operations, staff or seagoing employees.

External controls

In addition to our own controls, there are also comprehensive inspections and follow-ups from authorities and customers. The vessels in the fleet, both owned and chartered, are subject to continuous quality inspections in the form of vetting by the oil and chemical industry, flag state annual inspections, published port state controls and the classification societies' inspections.

The inspections include the ship's construction and its general condition, equipment and procedures for navigation, survival equipment, fire-fighting equipment, cargo handling systems, oil recovery equipment

and procedures for crisis management. Crew numbers, the crew's qualifications, employment conditions, the ship's log-books and certificates are also examined.

Shore-based activities are checked primarily by auditing processes and procedures.

Read more about external controls under *Operational control in 2022* on page 88.

Compliance with laws and regulations

As a publicly listed company with global operations, Concordia Maritime is obliged to comply with a number of laws, regulations and rules. These include the Swedish Companies Act, Nasdaq Stockholm's Rules for Issuers, the Swedish Corporate Governance Code and the EU Market Abuse Regulation.

No violations of laws or permits resulting in legal consequences or fines were reported in 2022. Nor has the Company derogated from stock exchange rules or been the subject of decisions or criticisms in stock market matters. For derogations from the Code, see page 89.

Auditors' opinion regarding the statutory Sustainability Report

To the General Meeting of Concordia Maritime AB (publ), corp. ID 556068-5819

Assignment and responsibilities

The Board is responsible for the 2022 Sustainability Report on pages 5, 19–30 and 32–37, and for ensuring that it is prepared in accordance with the Annual Accounts Act.

Focus and scope of the review

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinions

A statutory sustainability report has been prepared.

Gothenburg, 13 April 2023
Öhrlings PricewaterhouseCoopers AB

Fredrik Göransson
Authorised Public Accountant