



SUSTAINABILITY REPORT



THUNBOLAGEN
— ERIK THUN AB —



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UN GLOBAL GOALS

In a unique process, the 193 member states of the UN produced the Global Goals for Sustainable Development –the most ambitious agreement on sustainable development that global leaders have ever committed to.

It is not the UN itself but rather each member state – from governments down to individuals – that is responsible for achieving the 17 Global Goals, and everyone must play their part if we are to succeed.

In our Sustainability Report we connect to seven of the Global Goals; the most relevant goals in relation to us and our business, which we are striving towards in environmental, social and governance perspectives.

We have decided to focus our Sustainability Report for the Group on the shipping business, and therefore the meat processing subsidiary Direkt Chark AB as well as Täby Air Maintenance AB (TAM) have been excluded.

INTRODUCTION

Erik Thun AB is focusing on sustainability and our vision is to be a sustainable Swedish partner over generations. Being in the shipping industry, we believe we can actually make a difference in the global perspective by being responsible and do our part.

Involving our Board of directors, the management, our employees as well as our partners and customers, we are committed to combine our daily operations and business projects with a long-term aim to stay sustainable in our environmental, social and ethical performance.

Finding sustainable alternatives and moving to carbon neutral fuels is a quest, but we are determined to keep building, maintaining and operating vessels with the latest designs and the lowest possible environmental impact.

We believe that the decarbonisation process will be focusing on resource efficiency and biofuels for the coming years since the new E-fuels are not available yet. In order to produce sustainable options that can stand a proper life cycle analysis, a lot more clean electricity is needed. Meanwhile, we are doing what we can to reduce the power demand on our vessels by equipping them with peak shaving, batteries, fuel meters and optimisation systems such as dynamic drive/eco control. In respect of the new regulations from both EU and IMO, we aim to be in the forefront and, within our extensive fleet renewal program, already today build vessels fit for the future.

The strain of the pandemic followed by the Russian invasion of Ukraine, has really been a challenge for all our dedicated personnel, which also encourages us to keep working to ensure human rights and to promote mental health.

Lidköping, April 2023

Johan Källsson
Managing Director, Erik Thun AB



ERIK THUN AB IN BRIEF

Erik Thun AB was established in Lidköping in 1938 by Helge Källsson and is still owned by the same family today. Our core business is shipping and our fleet of close to 50 vessels is mainly employed in short sea shipping in Northern Europe.

We are at the forefront of the development of new ships built to our own designs for transport solutions that are adapted to our customers. We strive to improve every new generation of ships to be as environmentally efficient as possible. Reduced fuel consumption, an increased cargo intake, less exhaust emissions and lowered noise levels are a few examples of our trademarks.

We have a long tradition of environmental and quality work, and our quality management system is certified to ISO 9001:2015. Our net sales amount to SEK 2.5 billion. During 2018-2022, 16 new buildings were delivered for Erik Thun Group, and we are making investments of around SEK 2.5 billion over a 5-year period to further renew our fleet by building 12 new vessels till 2027.

BUSINESS AREAS



Our shipping operations are divided into the following segments:

- 13 general cargo ships from 4,000 to 6,500 tons dead-weight (dwt) sailing between Lake Vänern, North Sea, Baltic Sea and Mediterranean ports.
- 3 self-unloading ships, from 6,000 to 10,000 dwt, mainly employed in the North Sea, the Baltic and the Mediterranean.
- 19 product tankers/liquid bulkers from 6,500 to 18,000 dwt, which are operated by Thun Tankers.
- 8 cement carriers from 4,000 to 8,050 dwt, which are employed in Northern Europe and are owned and operated by JT Cement AS – a joint venture between NovaAlgoma Cement Carriers and Erik Thun AB.
- 1 vessel for inland waterway transports operated by the joint venture Avatar Logistics AB.

The Group also includes the shipbroker and port agency OP Ship AB, based in Gothenburg and Kalmar, Citadel Shipping AB, based in Helsingborg, Malmö and Landskrona and Forestwood Agencies based in Halmstad. In addition, we are engaged in aircraft leasing and the company currently owns 9 aircrafts. The Group owns Täby Air Maintenance AB in Örebro, specialised in aircraft maintenance and support, employing 46 people. The meat-processing factory in Gothenburg, Direkt Chark AB, was sold at the end of December 2022.



BUSINESS MODEL

Our vision is:

A sustainable Swedish partner over generations

Together with our customers, our aim is to tailor-make services within shipping so that:

- Customers experience a high level of customer benefit and regard us as a stable, value-for-money, responsive partner within shipping.
- We want to create a workplace where our employees

develop and take pride in their work, feeling passionate for the shipping industry.

- Our business continues to be characterised by relatively low risk with reasonable returns.
- We create a sustainable business through generations and in all fields, business wise as well as in society.

CORE VALUES

What defines us as a company? What are the basic principles of how we treat each other and our customers? We are...

...Long-term. Our investments are done to last over generations. We order vessels to last a life span. Our customers and co-workers feel confident in us, look forward to new challenges with us and want to stay true to us. We are a family business looking beyond interim reports.

...Responsible. We take responsibility for our co-workers, our customers and the surrounding environment. Sustainability in every aspect is important to us. This approach

is reflected at all levels in our family business, and we take good care of one another.

...Committed. We have a profound interest in shipping and in our company. Our co-workers are empowered and dedicated, thus creating customer benefit. We want to contribute with our best effort in order to solve the task at hand the best way possible.



CORPORATE RISK MANAGEMENT

We operate in a global market with significant risks. Risk assessment and risk management is always a part of our organisation and our daily business.

In order to identify, assess and monitor potential risks to our business and organisation, the management reviews the risks together with the board continuously during workshops and board meetings throughout the year. The information gathered is used to plan ahead, and as a context for making strategic decisions.

There are of course a variety of risks – from mild to wild – but when assessing the risks we also look into the level of control that we have. Certain risks are a part of our own organisation, such as the level of competence and skilled personnel; it can be controlled by recruiting, planning and by setting up internal education programs, for example.

On the other end of the scale, we have the pandemic or the global threats of climate changes; we need to act on and react to the effects of these types of risk and, together with many others, we have to contribute to the preventive actions that need to be taken to limit and control these threats.

In the middle of the scale, we find risks like volatile currencies or interest rates; we cannot control which way they will go but we can take precautionary measures using financial instruments and thereby monitor the effects over time. In the same manner, we wish to avoid putting all our eggs in one basket, by using a number of financial institutions to diversify the risk when investing in several new vessels.

Sustainability and environmental care, both on short term and long term, has been on our agenda for many years, but obviously the urge to deal with these questions is increasing rapidly. New regulations from IMO (the GHG strategy) and from EU (Fit for 55) for us as well as for our customers, with the need to find alternative fuels and minimize greenhouse gas emissions, is a challenging quest for our business as well as for the global community. Our goal has always been to be long-term and to build vessels that last for their life span and over generations. Using the designs and technical knowledge of today to build vessels for the future is our way of doing the best we can with the tools at hand.

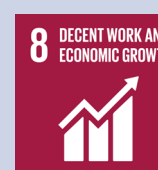
OUR COMMITMENTS



We promote a healthy lifestyle among our employees and we offer health profile assessments regularly. We provide a wellness allowance for office employees and arrange different activities to promote an active lifestyle for all employees. We sponsor the Mercy Ships organization in their work to bring healthcare and surgery to more people and we sponsor UNHCR's work in Ukraine. (Read more on pages 16-17.)



We see gender equality as a big part of our sustainability work. We are operating in a very male dominated business, but we only see benefits with diversity and inclusiveness and therefore, we are active promoting opportunities for all genders on board our vessels. We are proud to be a part of Orange Day and the local campaign Enough is enough. We have a whist-blowing function implemented. (Read more on pages 17-18.)



We follow the rules and regulations as set by the Maritime Labor Convention (MLC) and the Safety Of Lives At Seas (SOLAS). These conventions form a uniform standard towards all international vessels and ensure that the working and living conditions on board vessels are humane and decent and prevent ship owners from exploiting the seafarers. Via our partners we also supply our seafarers with insurance for medical treatment. (Read more on pages 11 & 16.)



We have a proud history of designing and developing energy efficient vessels. Our goal is that every new vessel shall be more efficient than the last one and that our whole fleet will be using fossil free propulsion in 2045. We will continue to build energy efficient vessels and by adding new technology and fuels, we aim to improve ourselves every year and do our part to develop the shipping industry. (Read more on pages 14-15.)



It is in our DNA to be resource efficient and we will continue to build and maintain vessels to last their lifetime. Reduced fuel consumption, optimised cargo intake and measures taken to reduce electrical consumption are a few of our trademarks. Based on our Code of Conduct, we examine our potential partners before moving forward in business decisions. (Read more on pages 12-13 & 19.)



We choose to use new and smart technology for measuring and to even further optimise already efficient ship design. We are using fuels with a mix of bio products when available and we are closely following the progress with new fuels in order to reach zero emissions in the future. Vessels ready for shore power have been standard for several years in our fleet. (Read more on pages 13-15.)



We believe that the surface below water is equally important as above. Water lubricated stern tubes have been standard on our new vessels for the last five years. On our existing vessels we are installing new ballast water treatment systems. We have started to replace plastic bottles with water dispensers on board, to reduce plastics and waste. On the new vessels we also focus on reducing the underwater noise. (Read more on page 15.)

RISK ASSESSMENT

We operate in a global market with significant risks. Risk Assessment is always a part of our organisation and of our daily activities on board to control the following risks:

Accidents



Emissions/Pollution



Human rights violations



Terrorism/Piracy



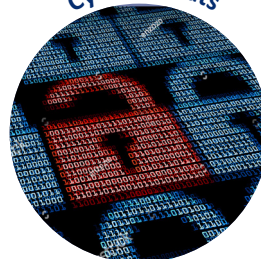
Fire



Corruption



Cyber threats



These risks are prevented and managed by:

- Audits
- Training and exercises
- Manuals (SMS¹/SSP²) including Cyber Security
- Oil pollution equipment
- Design of the vessels
 - Qualified crew
 - Bunker samples
 - Maintenance
 - MRM/GRM³

Results are measured and followed up by tracking these statistics:

- Accidents and near-misses
- Number of LTI⁴
- Harassment cases
- Port State Control (PSC⁵): Our goal is to have less than 0.66 deficiencies per inspection during a period of 36 months, current average is 1.16.
- Fuel consumption
- We are using EEOI⁶ to measure the energy efficiency.

¹The SMS (Safety Management System) manual relates to the ISM Code (International Safety Management Code), a standard issued by the IMO (International Maritime Organization). ²The SSP (Ship Security Plan) manual relates to the ISPS Code (International Ship and Port Facility Security Code), likewise issued by the IMO. ³Maritime Resource Management/Global Resource Management, ⁴LTI = Lost Time due to Injuries, ⁵PSC (Port State Control for Paris MoU) refers to the inspection of foreign vessels in national ports in order to check and ensure that international rules are being complied with. ⁶EEOI = Energy Efficiency Operational Indicator.

REGULATIONS AND COMPLIANCE



Our first priority is always the safety of life, secondly the environment and thirdly our and our clients assets. To ensure that we work to protect these things, we have our daily routines and work procedures outlined in our SMS/ISO. The objective is continual improvement and awareness.

Shipping is a regulated industry with a long history of working on quality and safety aspects, and there are clear manuals and instructions for compliance with the stringent requirements. We as Swedish ship-owners are also highly committed which sets the bar high and creates an innovative environment in which everyone strives to be at the forefront. As a shipping company in a global market, we have clear regulations controlling how we work. All our ships are operated and approved in accordance with the requirements in force, taking into account the various conventions and regulations that exist including:

- SOLAS (Safety of Life at Sea)
- MARPOL (Prevention of Pollution from Ships)
- STCW (Standards of Training, Certification & Watchkeeping)
- MLC (Maritime Labour Convention)
- Ballast Water Management Convention
- Monitoring Reporting Verification (MRV/EU)
- Data Collection System (DCS/IMO)
- Ship Energy Efficiency Management Plan (SEEMP I & II)

Our customers and national authorities also set very high requirements through the processes of vetting (auditing) and **Port State Control** is a regular inspection of a ship to verify that the condition of the ship and its equipment comply with international laws and regulations and that the ship is manned and operated in compliance with these instruments to ensure maritime safety and security and to prevent pollution. **Our goal is to have less than 0.66 deficiencies per inspection during a period of 36 months.** The average inspections result carried out through Paris MoU is currently 2.66. Our current average is 1.16. The majority of the vessels are high performers, and for the last few years we have focused even more on our core values, evaluation of performance and attitudes as well as teambuilding.

YEAR	ERIK THUN	GOAL
2019	1.79	0.77
2020	1.56	0.65
2021	1.58	0.61
2022	1.16	0.66

An Owners guideline is in place to clarify the level of work that we expect from our seafarers.



OUR ENVIRONMENTAL RESPONSIBILITY

With the tools we have today, we are convinced that the most important work we can do is to further improve the energy efficiency on board our vessels and keep the consumption to a minimum. In doing so, we look at different parameters such as fuel consumption per nautical mile and transport work. We compare the different KPI's to get a correct picture of the performance of the fleet. A focal point is EEOI (Energy Efficiency Operational Indicator). It is a value used to express the carbon footprint in terms of CO₂ emissions related to the transport work done (gCO₂/mT-nm). Improving the EEOI value can be achieved by reducing CO₂ emissions, increasing the amount of cargo carried or the loaded miles.

SETTING THE TARGETS

For some time, we have been measuring the EEOI and focused mostly on the performance of the actual vessels. From 2023, we will keep the focus on EEOI but expand it to a broader view and include all departments. In order to do so, *we have decided to reduce the EEOI in target with the goals set by EU to reduce CO₂ emission from 2020 to 2050 with 80%.*

It will be done gradually by reducing emissions from ships with 2% as of 2025, 20% as of 2035 and 80% as of 2050, compared to our set base levels of 2020.

For the dry cargo fleet, our vessels are in line and below the emission levels decided. Mainly because we can reduce the ballast legs with planning of more laden voyages, which is necessary for the environmental footprint. For our product tankers, the curve is not going in the right direction as of now. The pandemic and the turbulence on the oil and gas market caused a lot of anchorage in this segment. We are confident that in the longer perspective we will succeed and reach our targets for the years to come. We are in the middle of an extensive new-building program that will increase the number of even more resource and energy efficient vessels in our fleet.

A combination of new vessels and upgrading older tonnage will give us the technical tools. Hence, by increasing the interdisciplinary work within our different departments and work even more closely with our customers and partners, we will perfect the planning over time and improve the operations of the vessels and consequently improve the EEOI and reach the targets.



With the Greenhouse Gas Strategy towards 2050, the IMO has decided to introduce a combination of technical and operational measures in order to reduce carbon intensity and to reduce the annual total greenhouse gas emissions.

NEW REGULATIONS

One of the new regulations coming into force during 2023, is the Energy Efficiency Index for Existing vessels (EEXI), stipulating how efficient a vessel should be to be able to operate after 2023. When we examine all our existing vessels, designed by Erik Thun AB since the early 80's, we can see that all of them already fulfil the requirements.

The CII (Carbon Intensity Indicator) measures how efficiently a vessel above 5,000 GT transports goods, or passengers, and is given in grams of CO₂ emitted per cargo-carrying capacity and nautical mile. The first reporting of the CII based on 2023 data is due 31 March 2024. Vessels will receive a rating of A (major superior), B (minor superior), C (moderate), D (minor inferior) or E (inferior

performance level). The rating thresholds will become increasingly stringent towards 2030. A vessel rated D for three consecutive years or rated as E, will need to develop a plan of corrective actions.

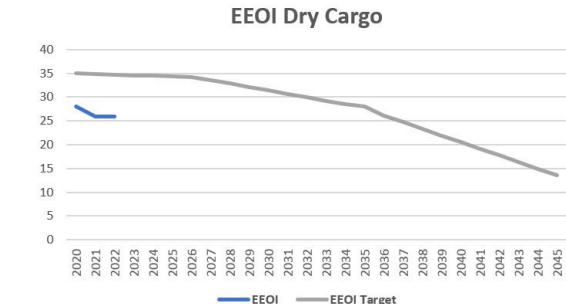
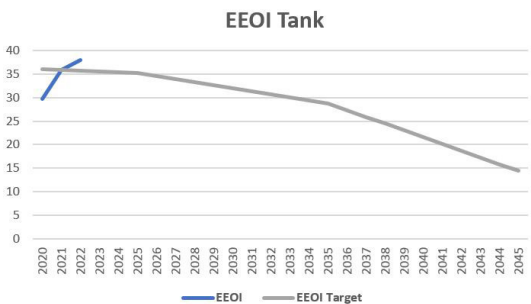
Our target for each vessel is to be an A & B performer.

As it stands, it will only be obligated for vessels above 5,000 GT, but we will implement this fleet wide and include our vessels below 5,000 GT as well. Based on our initial calculations, we can see that the major part of the vessels are A or B performers already. To continue being an A or B performer, you have to have a consecutive decrease in fuel consumption each coming year, in line with the targets set for the final goal of the year 2050.

POLLUTION AND SAFETY ON BOARD

We had one minor oilspill in 2022, compared to no oil spill in 2021. *We also keep statistics on LTIF* (Lost Time Injury Frequency) which shows time lost due to injuries on board, and through preventive work we have had a downward trend in recent years. The LTIF was 0 in both 2022 and in 2021, compared to 0.58 in 2020.

GRAPHS SHOWING ACTUAL CO₂ EMISSION PER TON-MILE OF TRANSPORT WORK





Erik Thun's fundamental concept has always been to build and operate ships with a focus on the environment, sustainability and energy efficiency – long before these matters made it onto the global agenda.

One of our goals is to always build vessels that are more energy efficient than the last one. When calculating the data collected so far, we can see that the latest vessel, delivered in 2022, is 15% more efficient than the vessel delivered only 5 years ago which is in line with our goals. One big difference that has had a real impact, compared to the previous vessels, is that the newest vessel is equipped with a Dynamic drive-system from Bergs Propulsion, which calculates the most efficient way to run the engine and propeller together, which really makes a difference in terms of reducing the fuel consumption.

After seeing these positive results, we have already upgraded the two older sisters with this system. Moving forward during 2023, the last vessel in this series will be delivered and a new series of Lake Vanern MAX will start to be delivered in 2024.

INVESTING FOR THE FUTURE

Reaching the targets for EEOI and CII are challenging but not impossible, and we believe we have scope for this – both working with existing tonnage and when ordering new vessels to replace older tonnage. Presently we have an investment plan for SEK 2,5 bn for renewal of the fleet to more resource and energy efficient vessels over the coming years. A total of 12 new vessels will be delivered from 2023 till 2027; five dry cargo vessels and seven product tankers.

Besides ordering new vessels to reduce the environmental footprint and increase the efficiency, we are doing upgrades on our existing fleet by installing fuel meters and optimisation systems. The most considerable update however, will be done on the dry cargo fleet where battery packs will be installed to ease the connection to shore power. This will be beneficial for the reduction of emissions but also safety wise, to keep everything running in case of a blackout and to avoid potential harm to the environment.

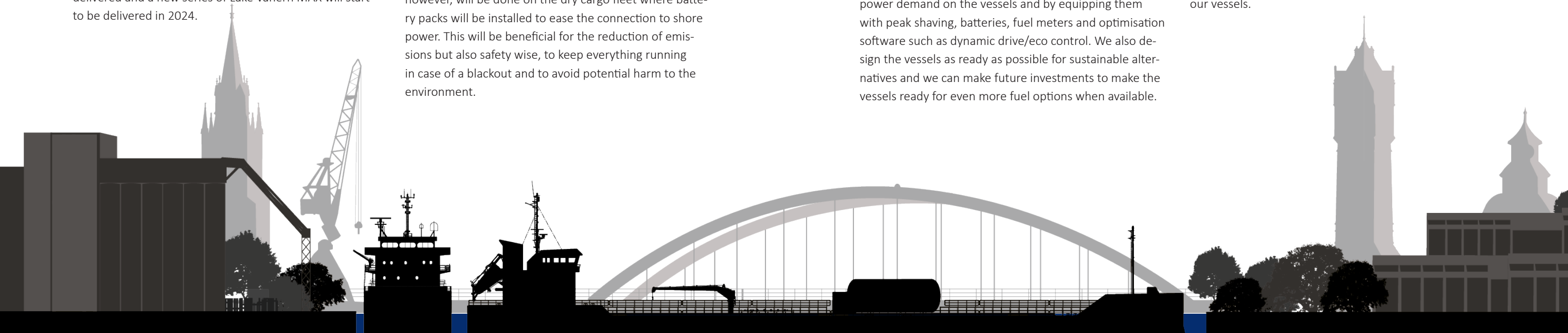
By installing these battery packs we aim to reduce the need to use the engine while in port. Fully electrifying a vessel is however not an option for our trade. For our new series of tankers, the R-class, we will use a new engine (Wärtsilä 25) which is in theory ready to handle all the possible future and alternative fuels, for example methanol, ammonia and hydrogen.

We believe that the decarbonisation process will be focusing on resource efficiency for the coming years since the new E-fuels are not available yet. In order to produce sustainable options that can stand a proper life cycle analysis, a lot more clean electricity is needed.

Meanwhile, we are working intensively to reduce the power demand on the vessels and by equipping them with peak shaving, batteries, fuel meters and optimisation software such as dynamic drive/eco control. We also design the vessels as ready as possible for sustainable alternatives and we can make future investments to make the vessels ready for even more fuel options when available.

As the focus is mainly above surface, we are not to forget the below surface world. Since 2017 we are building vessels with water lubricated stern tubes to avoid having oil as a lubrication for stern tube. Lately, the focus from IMO and other different authorities has been driven interest towards the life underneath surface, and how shipping affects the life below water. We encourage this, we participate in the debate and we are working to see how we can improve our vessels to reduce under water noise, for example.

Another goal is to reduce plastics onboard and we are equipping our new vessels with water dispensers and we also upgrade our existing vessels with dispensers where applicable to reduce the use of plastic bottles onboard our vessels.



OUR SOCIAL RESPONSIBILITY



Erik Thun AB shall be a workplace characterised by a good and safe working environment. Employees, customers and partners should feel secure with how we manage the working environment.

WORK ENVIRONMENT

We have statutory insurance and we work according to policies and regulations in the area of human resources. We were 47 employees at our offices in Lidköping and Gothenburg in 2022. Our shore-based employees have an average age of 48 years. We carry out annual pay surveys to monitor that pay differentials are not discriminatory. We have 103 employees on board the ships that we manage. With shore-based employees in our offices and ship crew working at sea, we have two different types of workplace. In many ways, these have different conditions and types of risk in their daily work – but we aim to treat

all equally and all of them are covered by applicable collective agreement.

In 2022, we were finally able to gather again for our Company Days in Lidköping, Sweden. Learning from each other and evaluating best practices were on the agenda, both to improve the skills to operate our existing vessels as efficiently as possible, and to further improve the working environment. In addition, we discussed desired features and designs on our newbuilding projects and hence got valuable input from our experienced officers.

On the ships, we work according to the convention in force from ILO (International Labour Organization), which is the Maritime Labour Convention 2006 (MLC), also known as the "seafarers' bill of rights". This specifies living standards on board and states that as a shipping company, we must comply with the rules and requirements that relate to seafarers. This is regularly controlled by external audits from organizations such as flag state, classification societies and the union (International Transport Workers' Federation). We have no remarks in this area, which goes to show that we are following the regulations in a correct way. The MLC also helps provide assurance that seafarers

will always be able to report to their home country, direct to the company management or to the ship's flag administration if they feel they have been badly treated or do not feel safe on the ship or as part of the crew on board. We have a portal where all staff anonymously can report any issues or harassments.

During the year, 2 harassment cases have been reported. To prevent harassments in the future, we have taken actions such as interviews with on board management team, re-arranged the composition of the crews and we will continue to work with leadership and cultural awareness training.

We believe that diversity and inclusiveness in every aspect are important factors to create a social environment that is positive and empowering for everyone. This goes for both the offices and the vessels. We are proud to say that – on our vessels – we have had as many as 18 different nationalities working on board during this year.

When looking at gender, we have quite even ratios in the offices, but there is more work to be done to increase the number of women in leading positions everywhere. In order to employ more women in the fleet, our crewing department has had a special focus on gender this past year in one of our segments, and it goes to show that when you put your mind to it, it is doable. There is much more to do, but when adding up the numbers, we can see that we increased the percentage of women from 1% to 5% in that very segment, in one year's time.

HEALTH

Good health is the best pension investment. We support and encourage our personnel to keep in good health, which improves wellbeing. We actively promote exercise and other ways to stay fit among our staff. Corporate healthcare is available and Erik Thun AB also offers extended accident insurance at no cost.

Sickness absence in 2022 stood at 0.43 % for our offices, which is almost the same as 2021 (0.4%) and well below our goal of 3%. Every third year our employees at the offices in Gothenburg and Lidköping are offered the opportunity to have a health profile assessment with the company's corporate healthcare service.

The aim is to avoid ill-health by highlighting any issues as early as possible, and if possible prevent any further deterioration where problems have already arisen.

We are aware that certain work environments can be stressful and that sitting stationary in front of a computer all day long, is a health risk for certain. All of our office workers have sit-to-stand desks, making it possible to break the habit of sitting down. We also offer an annual fitness benefit and participation in sports events such as Göteborgsvarvet (the Gothenburg half-marathon) is encouraged.

The strains of the pandemic first, followed by the Russian invasion of Ukraine has really been a challenge for our dedicated personnel on board our vessels and in our crewing departments. These circumstances really encourages us to keep working to ensure human rights and to promote mental health.

LONG SERVING MASTER

Since 1977, Captain Ulf Johnson has been true and loyal to Erik Thun Group, sailing on numerous of our vessels. Now he is looking back on his long service in the fleet and we took the chance to interview him. Interested in his perspective and to show our great appreciation for the truly committed work he has brought to our company through all these years.

We meet in the office in Lidköping right before he will join the crew on Naven for his last scheduled turn before retirement. Initially, he worked in the tanker segment but then moved to dry cargo in the mid 1990's, and that is where he continued:



The thing that kept me in the company for such a long time is the sense of fellowship, all the way from the management to the crews. That we are some kind of family together. And that promises are made to be kept, even in bad times like in the early 1980's, when the financials were challenging, says Ulf Johnson.

A lot of things have changed of course; the technical equipment foremost as well as the accommodation and other facilities, but also the social and cultural awareness and the work description itself, from physical and analog to administrative and digital: *But finding the most efficient route considering the current conditions of the vessel, using the wind and the speed, adjusting to the weather and the waters has always been my thrill.*

Being the master is being responsible for the crew and that is also something he is passionate about: *I have always aimed to create a team in which everyone is an important part, knowing that their opinion counts. I believe that the whole team benefits if we take pride in our work, feeling that we have been trusted with the vessel and the load it carries.* Delivering the cargo in time in a resource efficient way and making the customer content is part of the reward.

As much as he has loved the life at sea, he seems to be happy to make closure now: *The work keeps changing and at some point it is time for younger colleagues to take over, master Ulf Johnson says.* He is concerned though that the increasing amount of regulations and the need for documentation will eventually reach a level that is too stressful even for the new generation: *I think the whole society needs to evaluate the path we are on, making sure that we do not create new problems instead of solving old ones.*

CORPORATE SOCIAL RESPONSIBILITY

Erik Thun Group is part of both the global initiative Orange Day as well as the local initiative Enough is Enough, aiming to eliminate (domestic) violence against women and children. In 2021, we were appointed an award for sustainable development from the Municipality of Lidköping. Early on, we decided to pay it forward to emphasis that sustainability is important also in our daily relationships, and to acknowledge that human rights are never to be taken for granted. By contributing to the work of our local women's shelter, Kvinnojouren Linnéan, we also want to raise awareness in our community.

In our global community, we support Mercy Ships on a regular basis. Mercy Ships operates international hospital ships, offering safe medical care in developing countries. In spring of 2022 we also decided to donate money to support the work of UNHCR in Ukraine.

Erik Thun administrates the Alice & Helge Källsson Foundation for Education and Research, the purpose of which is to provide grants and scholarships to support education within shipping and to support research aimed at environmentally safe coastal transport. For over 40 years, the Foundation has given grants to students taking master mariner or maritime engineering degrees. Their dissertations and master's theses have dealt with a variety of topics such as marine environments, reduction of emissions and future marine fuels.

OUR BUSINESS ETHICS

We work in an international market with customers from large global oil companies to small-scale local companies.

Customer relations is our strength and our daily bread, and many of our business relationships go far back in time and are built on mutual respect. It goes without saying that we have zero tolerance of corruption, bribery and money laundering. A Code of Conduct was implemented during 2021. We had 0 incidents reported in 2022 (0 in 2021 and 1 incident reported in 2020). To further consolidate our environmental, social and ethical performance, we were evaluated by EcoVadis giving us a silver medal in the score card.

ANTI-CORRUPTION AND ANTI-BRIBERY

All our employees are required to abide by all applicable laws and provisions relating to corruption, bribery and money laundering. Our employees are not permitted to pay bribes or make other improper payments in order to obtain or retain contracts or to encourage favourable decisions or services. All shore-based and ship-based employees have been informed of the course of action they are to take should they come under pressure to pay bribes or make other improper payments, and that this must be reported both internally and to the relevant external authorities/companies/customers. This applies likewise in the event that they were to be offered bribes or similar in the course of their duties.

The company shall under no circumstances participate in or support money laundering. We actively work to ensure a direct link between the party to the contract and the end-recipient of payment for services performed, and that no company in the "chain" is on any international or national sanctions list. In parallel with our own guidelines, in order to continue providing our services to our customers we are required to sign and approve a number of specific anti-trust, anti-corruption, anti-bribery and anti-money laundering clauses in our commercial agreements.

GIFTS, ENTERTAINMENT AND HOSPITALITY

We shall not offer our customers overly lavish or excessive gifts, entertainment or invitations. All kinds of gifts, entertainment and/or hospitality must be reasonable and appropriate and must be in line with local legislation and business practice. Our personnel are not permitted to offer or accept monetary gifts or equivalent, whether directly or indirectly.

COMPLIANCE WITH LAWS AND REGULATIONS

Erik Thun AB shall comply with all applicable national and international laws and regulations and shall conform to generally accepted practice. The company shall also act as a responsible company in every part of its business, including corporate governance, the work environment and safety, labour rights, the management of environmental work, financial reporting and taxes. As regards fair competition and compliance with competition legislation, the company shall comply with the competition legislation in the countries in which we operate. We have a whistleblower function implemented (feedback.thun.se) to ensure that anyone can report suspected misconduct of any kind, in total confidence.



THUNBOLAGEN
— ERIK THUN AB —