



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 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.

During 2023, we celebrated our 85th year in the shipping business, and by involving our owners, the Board of directors, the management, our employees as well as our partners and customers, we are committed to continue 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 making the transition to carbon neutral fuels is a challenging quest which we cannot meet on our own. We trust that the industry, regulators, and our customers will be active as well and thus, we are determined to keep building, maintaining and operating vessels with the latest designs and the lowest possible environmental impact.

We are in the midst of an extensive fleet renewal program; 16 new vessels were delivered for Erik Thun Group during 2018-2023 and our current orderbook consists of another 15 vessels to be delivered from 2024 till 2027. In respect of new regulations from both EU and IMO, we work actively 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. We believe that the decarbonisation process will be focusing on both resource efficiency, biofuels and E-fuels and we are looking forward to the delivery of our first methanol ready coastal tankers.

In a world full of uncertainties, we would like to think of ourselves as a resilient partner, taking responsibility for both the environment and the society.

Lidköping, April 2024

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 2.3 billion. During 2018-2023, 16 new buildings were delivered for Erik Thun Group, and we are making investments of around SEK 3.1 billion to further renew our fleet by building 15 new vessels till 2027.

BUSINESS AREAS



Our shipping operations are divided into the following segments:

- 14 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 9,000 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 which was sold in December 2023.

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 42 people.



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.

To identify, assess and monitor potential risks to our business and organisation, the management reviews the risks together with the board during workshops and board meetings throughout the year. The information gathered is used to plan ahead and to make strategic decisions.

There are of course a variety of risks with different levels of impact and likelihood, but when assessing the risks, we also consider the level of control that we have. Certain risks are part of our own organisation, such as the safety onboard; To ensure the safety of life, the environment, and our assets, we control the potential risks by using clear guidelines, daily routines, carefully monitored work procedures as well as internal and external audits.

On the other end of the scale, we have the global threats of climate change and the need for climate adaption; we have to act and also react to the effects and, together with other stakeholders, we must urgently 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 a potential future lack of competent and skilled personnel. For example, we are not in charge of the different educational systems that we depend on, but all partners in the shipping industry have a responsibility to make our business interesting, competitive, diverse, and inclusive enough to be a preferred choice for the next generation.

New regulations such as EU ETS (Emissions Trading System) presents an opportunity for climate action, but it could also result in an uneven playing field between different sectors. This might lead customers to explore other means of transportation instead, which may not necessarily be more environmentally friendly but are perceived as more cost-effective from their perspective.

The introduction of CSRD (the Corporate Sustainability Reporting Directive) will hopefully provide transparency on the sustainability impacts of all reporting companies and serve as a tool for cooperation, initiating the joint actions we need to take together with our customers, suppliers and other stakeholders to mitigate the harm on people and the environment.

OUR COMMITMENTS



The well-being of our employees is important to us. We promote a healthy lifestyle 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. Our commitment extends beyond the workplace, reflecting our dedication to the broader community and global health causes. We sponsor the Mercy Ships organization in their work to bring healthcare and surgery to more people and we sponsor UNHCR's work bringing healthcare to refugees. (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 whistle-blowing function implemented. (Read more on pages 16-17.)



Our first priority is always the safety of life, secondly the environment and thirdly our and our clients assets. 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 GHG-neutral 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 12-13.)



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 GHG-neutral emissions. Vessels ready for shore power have been standard for several years in our fleet. (Read more on pages 14-15.)



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 14-15.)

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



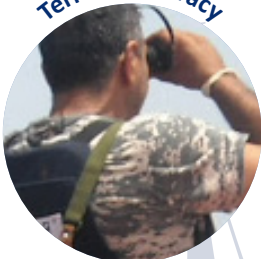
Emissions/Pollution



Human rights violations



Terrorism/Piracy



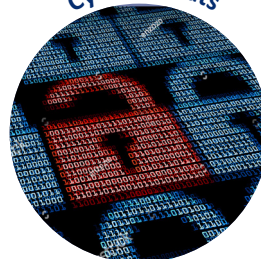
Fire



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 0.9 deficiencies per inspection during a period of 36 months, current average is 1.06.
- 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 set very high requirements through processes of vetting/auditing and so do national authorities such as **Port State Control** which 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 0.9 deficiencies per inspection during a period of 36 months.* The average inspections result carried out through Paris MoU is currently 2.9. Our current average is 1.06. The majority of the vessels are high performers, and for the last four years we have focused even more on our core values, evaluation of performance and attitudes as well as teambuilding.

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

PORT STATE CONTROL

YEAR	ERIK THUN	GOAL
2020	1.56	0.65
2021	1.58	0.61
2022	1.16	0.66
2023	1.06	0.9

OUR ENVIRONMENTAL RESPONSIBILITY



MEASURED GOAL:
EFFICIENT VESSELS

100 %



MEASURED GOAL:
IMPROVING EEOI

40 %

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.

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. One of our measured goals is that *every new vessel shall be more efficient than the last* when considering design, new technics, fuel consumption and performance analysis; so far, we have a **100%** scoring.

When calculating the data collected for dry cargo vessels delivered in 2022 and 2023, we can report an 18% reduction in CO₂ emissions compared to the generation delivered five years earlier. One big difference is the adaptive propulsion system the newest vessels are equipped with. It calculates the most efficient way to run the engine and propeller together, and this makes a real impact on the fuel consumption.

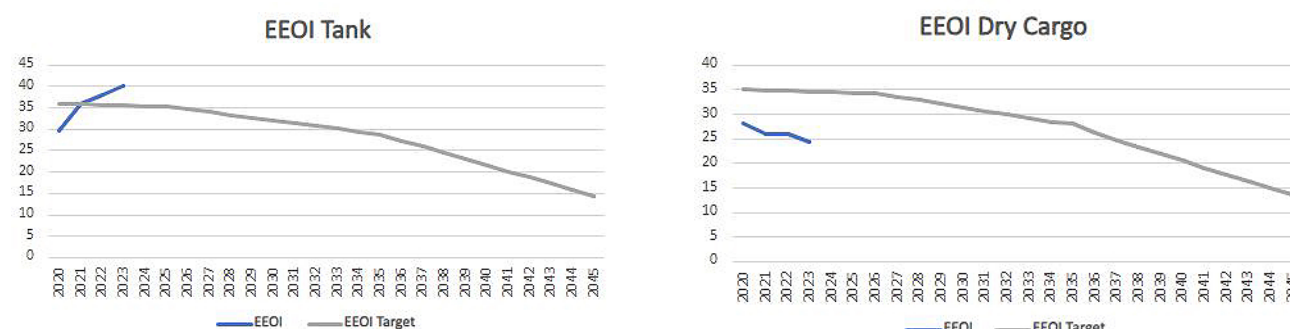
In the tank segment, the E-class delivered 2018-2021 has significantly lowered both the fuel consumption and the emissions when compared with the older generation.

EEOI - SETTING THE TARGETS

A focal point is EEOI (Energy Efficiency Operational Indicator). The EEOI metric serves as a crucial measure, expressing 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.

For some time, we have been measuring the EEOI and decided to reduce the EEOI in target with the goals set by EU (Fuel EU Maritime) 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. *Our measured goal keeps track of the improvement year by year*, by monitoring the segments carefully. For 2023, the overall goal is fulfilled to **40%** but there are both ups and downs when examining the figures.

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



TANK SEGMENT

When making a closer examination of the Environmental Efficiency Operational Indicator (EEOI), we saw a notable 23% increase in the average value during 2023 for the entire tank segment. While this uptick raised concerns, it's crucial to understand the factors at play.

The primary contributor to this rise was the frequent trading of two NAABSA tankers, which often operated with partly filled cargo tanks due to multiple discharge ports. Consequently, this skewed the overall figures, causing them to surpass the EEOI target. However, upon closer examination, excluding these specific NAABSA tankers, a more promising picture is revealed as the recalculated EEOI stands at a more favorable 38.7, indicating a more efficient performance.

Moreover, it's important to recognize the disparity in EEOI values between older vessels, typically exceeding 15 years, and newer counterparts boasting modern installations and designs. Older vessels tend to exhibit higher EEOI figures, hovering around 45, whereas recently built vessels like the Thun E-series showcase significantly lower average EEOI values, around 32. This contrast underscores the importance of embracing modern technologies and design innovations to drive environmental sustainability within the maritime industry.

DRY CARGO SEGMENT

For Drycargo, we can see a positive trend in the EEOI value improving year after year, which is great news. One big reason for this is the introduction of new ships into our dry cargo fleet. These newer vessels, marked with Ice Class 1 A classification, are not only capable of handling tough ice conditions but also come with advanced technologies that cut down CO₂ emissions significantly.

When compared to our older ships, these new additions show an impressive 18% reduction in CO₂ emissions. This clearly shows our commitment to adopting innovative solutions to lessen our environmental impact. By focusing on energy efficiency and cutting down on greenhouse gas emissions, we are not just doing our part in fighting climate change but also becoming more efficient in our operations.

This achievement is a key part of our broader sustainability strategy, which aims to reduce our environmental footprint while maintaining top-notch safety and efficiency standards. Investing in these advanced vessels is crucial for sustainable growth in the maritime industry and demonstrates our unwavering dedication to preserving the planet for future generations.



MEASURED GOAL:
CII A & B PERFORMER
FLEET WIDE

38 %



MEASURED GOAL:
REMOVE PLASTIC
BOTTLES

5 %

Looking ahead, we're committed to find more ways to improve our sustainability efforts and keep contributing meaningfully to environmental conservation. Our journey towards a greener future is ongoing, and we take pride in setting new standards in the industry.

CII

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).

Our target for each vessel is to be an A & B performer fleetwide, including our vessels below 5,000 GT. The measuring methods are not fully established yet, but based on our initial calculations, a cautious estimate says that **38%** of the vessels are A or B performers already. To continue being an A or B performer, you must have a consecutive decrease in fuel consumption each coming year, in line with the targets set for the final goal of the year 2050.

LIFE BELOW WATER

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 underwater noise, for example.

Another goal is to reduce plastics onboard. We are equipping our new vessels with water dispensers and we are upgrading our existing vessels with dispensers where applicable. We have a **5%** fulfilment as of now, which means we need to do more to reach our goal.

POLLUTION AND SAFETY ON BOARD

We had no oils spill in 2023, compared to one minor oil spill in 2022. *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 for 2023 was 0.25, compared to 0 (2022), 0 (2021) and 0.58 in 2020.

MOVING FORWARD

Continuing with our steadfast commitment to achieving the net-zero carbon goal by 2050, we are excited to announce that we will be welcoming 15 newbuilds into our fleet by the year 2027. This strategic expansion is a significant leap forward in our journey towards sustainability and reflects our resolve to lead the maritime industry towards a cleaner, more sustainable future.

These 15 new vessels are being designed with the latest advancements in energy-efficient technology, ensuring that they not only meet but exceed current environmental standards. Their incorporation into our fleet is expected to dramatically reduce our overall emissions, bringing us closer to the ambitious goal of net-zero carbon emissions by 2050, set by IMO. This initiative is in line with our broader environmental strategy, which encompasses not just the reduction of greenhouse gases but also a comprehensive approach to sustainability, including waste reduction, energy efficiency, and biodiversity conservation.

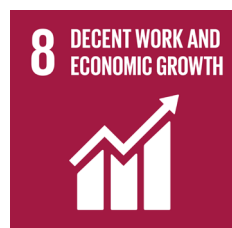
Investing in these newbuilds signifies our belief in the power of innovation and technology to solve some of the most pressing environmental challenges. It also demonstrates our commitment to our customers, stakeholders, and the communities we serve, ensuring that we are providing the most environmentally responsible and efficient transportation solutions available.

As we prepare to welcome these new vessels, we are also engaging in a series of initiatives aimed at enhancing our operational sustainability. These include investing in renewable energy sources, exploring alternative fuels, and implementing energy-saving measures across our existing fleet. Our goal is to not only reduce our environmental impact but to also inspire and lead the maritime industry towards a more sustainable and carbon-neutral future.

The journey towards net-zero emissions is challenging and requires effort, innovation, and collaboration. We are proud to be at the forefront of this transformation, demonstrating our unwavering commitment to environmental stewardship. As we progress, we remain dedicated to our sustainability goals, ensuring that we are not just meeting the expectations of the present but also paving the way for a sustainable future for generations to come.



OUR SOCIAL RESPONSIBILITY



MEASURED GOAL:
ZERO DEFICIENCIES

80 %



MEASURED GOAL:
CREW DIVERSITY

35 %

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 had 48 employees at our offices in Lidköping and Gothenburg in 2023. Our shore-based employees have an average age of 48 years. We carry out annual pay surveys to ensure that pay differentials are not discriminatory. We have 100 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 workplaces. 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 the applicable collective agreement.

On the ships, we work according to the convention in force from ILO (International Labor Organization), which is the Maritime Labor 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). *Our goal is to have zero deficiencies in audits related to work environment and safety (PSC)* and for 2023 the level of accomplishment in this area was **80%**.

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 can anonymously report any issues or harassments. In this area, *our goal is to have zero harassment cases*. In 2022, we had two cases reported. In order to prevent harassment in the future, we took actions such as interviews with on board management team, re-arranging the composition of the crews and we discussed leadership and cultural awareness amongst our crews. We are happy to say that in 2023 we have had no reports of harassment cases.

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 14 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. To employ more women in the fleet, our crewing departments keep focusing on *our goal to work actively to have at least 1 female per vessel before 2025*. During 2023 this goal was fulfilled to **35%**.



MEASURED GOAL:
DONATED AMOUNT

90 %

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 2023 stood at 1 % for our offices, which is higher than 2022 (0.43%) but still 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 hopefully 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. All our office workers have sit-to-stand desks, making it possible to break the habit of sitting down. At the office in Lidköping, we had the possibility to furnish a gym area in 2023, benefiting our

office staff. We also offer an annual fitness benefit and participation in sports events such as Göteborgsvarvet (the Gothenburg half-marathon) is encouraged.

For the well-being of our seafarers, we are looking into several measures to further enhance the living conditions on board, for example, the access to unlimited internet for everyone. We are also examining the possibility of adding extra accommodation units when building new vessels. Extra cabins would provide the opportunity to have cadets on board, a dedicated space for a gym, and extra space for additional crew for crew changes. Together with our manning agencies we also supply both our seafarers and their next of kin with insurance for medical treatment.

With the global aspect of SDG no 3, *our goal is to donate an amount tied to our turn-over on a yearly basis, to promote health care and well-being in a global perspective*. During 2023, we sponsored Mercy Ships in their work, and we also sponsored UNHCR in projects that emphasize the importance of public health in refugee emergencies. Summarizing the donated amount for 2023, we attained our initial goal with **90%**.



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. By supporting the work of our local women's shelter, Kvinnojouren Linnéan, we also want to raise awareness in our community.

Furthermore, we have been part of a local sports initiative called "Rosa Matchen" to raise money for breast cancer research and, we also sponsored our local "Team Rynkeby" biking to Paris to raise awareness and fight cancer among children.

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. To mark the 85-year anniversary of Erik Thun Group being in the shipping industry since 1938, we made a special contribution to UNHCR at the end of 2023.

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.



CORPORATE SUSTAINABILITY REPORTING DIRECTIVE (CSRD)

Erik Thun Group will be included in the new EU directive CSRD/ESRS, on reporting corporate sustainability, from the reporting year 2025. We welcome this opportunity of transparency and comparison and we have started the preparations already in 2023. A project group was appointed and enrolled in a course to learn more about the regulations coming into force. At the end of the year, we chose a partner to help us with the double materiality assessment and the process to examine our value chain. As this report is being written for 2023, our stakeholders engagement interviews are being prepared and we are looking forward to tell you more about the results in our next report.

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. A Code of Conduct was implemented during 2021. We have zero tolerance of corruption, bribery and money laundering and we had 0 incidents reported in 2023 (0 in 2022 and 0 reported in 2021). To further consolidate our environmental, social and ethical performance, we have been evaluated by the EcoVadis platform.

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 —