

# CORPORATE SUSTAINABILITY REPORT **2022**



**CSL** GROUP

At CSL, our dedication to corporate social responsibility goes beyond our operations. It defines our core values and commitment to our communities and environment. Our adherence to the highest standards is not an obligation to us but a reflection of our understanding of sustainable business practices and their role in our enduring success.

Since our inaugural publication in 2013, our annual Sustainability Report provides a holistic view of the social, environmental, and governance (ESG) impacts that shape our decision-making process and drive our continuous improvements every calendar year.

Building upon our previous reports, we have evolved our 2022 edition to align with the emerging standards of ESG reporting and have restructured and enhanced the content to provide a comprehensive view of our performance in these critical areas.

The adoption of ESG reporting reflects our commitment to transparency and accountability, as we seek to provide our customers and stakeholders with valuable insights into our sustainable practices based on industry-leading frameworks and guidelines such as the Sustainability Accounting Standards Board Marine Transportation Standard, the Global Reporting Initiative Standards, the Green Marine environmental certification program and the United Nations Sustainable Development Goals.

Embracing ESG principles into every facet of our operations is not merely about meeting regulatory requirements for us. It's about making meaningful contributions towards a sustainable future for our communities, our environment, and the world at large.

For more information on CSL's sustainability and corporate social responsibility programs, visit our website at:

➤ [www.cslships.com](http://www.cslships.com)

## REPORT

## ANNEX

## On Our Cover

Laden with grain, *MV CSL Welland* navigates southbound in the Livingstone Channel approaching Lake Erie, in March 2022. Learn more about the vessel's magnificent mural on page 55.

Photo: Windsor Aerial Drone Photography

2022

# HIGHLIGHTS

## Environment

**80%** REDUCTION  
IN LIFE-CYCLE EMISSIONS USING  
**B100 BIOFUEL** ON EIGHT  
VESSELS

**8%** OF TOTAL ENERGY OUR  
SHIPS CONSUMED IS  
**RENEWABLE**

**15%** INCREASE IN **RECYCLING**  
AS A PERCENTAGE OF TOTAL  
**WASTE ON OUR SHIPS**

**90%** REDUCTION  
IN PLASTIC WATER BOTTLE  
USE IN OUR AMERICAS FLEET



## Social

**71%** REDUCTION  
**LOST-TIME INJURIES**  
COMPARED TO 2021

**47%** OF NEW  
HIRES WERE **WOMEN**

**1%** OF NET PROFIT  
WAS DONATED  
**TO CHARITY AND  
DISASTER RELIEF**

**7.9** OUT OF 10  
SCORE ON  
**EMPLOYEE ENGAGEMENT**



## Governance

**100%** OF EMPLOYEES COMPLETED  
**COMPLIANCE TRAINING**

**33%** FEWER  
**POLICY BREACH  
COMPLAINTS**  
WERE MADE COMPARED TO 2021





## Message From Louis Martel

### PRESIDENT AND CHIEF EXECUTIVE OFFICER

Since we first started publishing our Environmental Report in 2007, followed by our Corporate Sustainability Report in 2013, our main goal has been to inform and empower our customers, employees, suppliers, and communities by openly sharing our efforts, progress, and aspirations in promoting a sustainable future for marine transportation.

I'm pleased to say that every year, we have steadily improved the content of our report to align with what matters most to our stakeholders and with the latest reporting standards and trends.

This year, we have restructured our report's content according to emerging environmental, social and governance (ESG) reporting standards, to provide a holistic view of our performance in these critical areas. By doing so, we aim to reinforce our commitment to transparency and accountability, providing valuable insights into our sustainable practices.

Safety remains our top priority, and I am delighted to share the best-in-class safety performance achieved on our vessels. Our global safety data in 2022 reveals a lost-time injury frequency rate of 0.5 and a total recordable case frequency rate of 3.1. These record-breaking figures for CSL validate the success of our SafePartners program and dedication of our ship and shore employees to our maturing safety culture.

But safety is about more than mere statistics — it's about the wellbeing and lives of our employees and seafarers. Their safety is paramount, and we are fully committed to ensuring they return home safely to their families. Our united goal is zero harm, and together, we continue to work tirelessly to achieve it.

As a trailblazer in decarbonizing our industry, we fully recognize the pressing need to reduce our carbon footprint. Our extensive four-year B100 biodiesel trial has unequivocally demonstrated the effectiveness of biofuel as a powerful tool in achieving net-zero emissions. By using biofuel, we have not only reduced our own carbon footprint but also contributed to the mitigation of supply chain emissions for our customers. We encourage others to join us in embracing this effective and forward-looking solution to accelerate the transition to a cleaner marine sector.

Digital technologies are continuing to revolutionize our efforts to make our ships more energy efficient and green. Leveraging our cutting-edge O2 digital system, we harness vessel data to drive informed decisions that help us reduce our carbon footprint and mitigate pollution. Our O2 technology has already helped us improve our environmental performance, and we anticipate further advancements as we continue to refine and enhance its capabilities.

Finally, we extend our heartfelt gratitude to our ship and shore employees, whose diverse backgrounds and perspectives enrich our organization and play a vital role in our success. By fostering a culture of inclusivity, we harness the power of their contributions to drive innovation, enhance creativity, and bolster our adaptability to meet the evolving needs of a diverse world.

In the coming year, as CSL expands into exciting new horizons within the marine sector, our unwavering commitment to people and the environment will always remain at the core of our business. We will always prioritize decisions and practices that have a positive and meaningful impact to ensure a sustainable future for everyone.



## CSL AT A GLANCE

With a history that can be traced to as far back as 1845, The CSL Group Inc. is a privately-owned Canadian shipping company headquartered in Montreal, Quebec, with commercial operations around the world. Our regional offices are located in Halifax, St. Catharines, Vancouver and Winnipeg (Canada), Boston (USA), London (UK), Bergen (Norway), and Karratha, Perth, Sydney and Whyalla (Australia).

Through our four major operating regions, we own and operate a highly diversified fleet of specialized self-unloading ships, transhippers, bulk carriers, multi-purpose product vessels and barges. We are a leading provider of marine dry bulk cargo handling and delivery services. CSL is the world's largest owner and operator of self-unloading vessels and the third largest cement carrier. We are also a leader in high efficiency transshipment solutions.

In 2022, our combined fleet of wholly and jointly owned assets numbers 90 vessels. The wholly owned fleet consists of 48 vessels, including 29 self-unloaders, five transhippers, seven bulkers, five pneumatic cement carriers and two self-unloading barges. Our co-owned fleet includes 42 vessels consisting of three self-unloaders, 13 cement carriers, seven multi-purpose vessels, six tugs, five transhippers, five transshipment barges and three bulkers.

CSL is also responsible for the commercial management of eight other self-unloading ships as part of the CSL International Pool.

Under the Eureka partnership, we also oversee the management of seven additional cement carriers that are not included in the joint venture fleet.

Every year, our ships transport millions of tonnes of dry bulk commodities for customers throughout the world. Commodities moved include iron ore, aggregates, grain, cement, gypsum, salt and wheat.

Approximately 90 percent of our revenue is generated from long-term contracts with our customers, which range in duration from one to 20 years.

We employ approximately 1,500 people globally in a wide range of positions, both on board our ships and in shore-based functions. We are committed to the wellbeing and development of our employees, and to promoting a corporate culture that values high ethical standards, a safe and healthy workplace, and respect for the environment.

## NEWBUILDS, CONVERSIONS AND ACQUISITIONS

Delivered in January, Canada Steamship Lines' MV *Nukumi* completed its first year of trading in 2022. The state-of-the-art diesel-electric self-unloader was designed and built under a partnership between CSL and K+S Windsor Salt Ltd.

In May 2022, we purchased MV *Eredine*, a modern 2014-built Handymax geared bulk carrier. The 39,000 DWT vessel was renamed *Tawaki* and is trading as part of CSL Australia's coastal fleet.

To complement CSL Europe's coastal fleet, we acquired the 18,800 DWT geared bulk carrier MV *Ale* in March 2023. MV *Ale* will be converted into a flexible asset, capable of servicing marine project cargoes, including rock armour, as well as core coastal cargoes in Europe. The vessel will be equipped with two large excavators on two transverse gantries, one hopper and one discharge boom.

## JOINT VENTURES

In May 2022, CSL acquired a 50 percent stake in Mariac, a joint venture with SMT Shipping. Through this partnership, we have expanded our asset base, strengthened our transshipment presence in West Africa and diversified into industrial bulk shipping and tug services. Mariac currently operates 26 assets comprised of transhippers, bulk carriers, multi-purpose product (MPP) vessels and tugs that trade under contract and on the spot market.

In 2022, our joint venture with SMT Shipping, Eureka, took delivery of two out of the three newbuild cement ships that were ordered. Royal Bodewes Shipyard was contracted to build this new fleet of highly efficient 4,250 DWT eco-cement carriers.

Our 50/50 joint venture with the Hartmann Family, continues to operate two 40,700 DWT gravity self-unloaders, MV *Fjordnes* and MV *Starnes*, in Europe.

CSL has a strategic minority stake in Canadian engineering firm EMS-Tech Inc., an industry leader in the design and supply of bulk material handling systems. The investment builds on the synergies between the two companies and expands on our commitment to provide customers with a full range of safe, sustainable and high-performance services.

CSL also co-owns MV *Weser Stahl* as part of a partnership with Marbulk Shipping.

 **1,500**  
**PEOPLE\***

EMPLOYED GLOBALLY

*\*Does not include joint ventures*

**VESSELS**



**48** OWNED

**42** CO-OWNED

 **CSL** GROUP

**17** **Great Lakes and  
St. Lawrence Seaway**

- 12** self-unloaders
- 4** gearless bulkers
- 1** geared bulker

**21** **The Americas  
and Caribbean**

- 10** self-unloaders
- 8** self-unloaders,  
commercially managed
- 7** multi-purpose product  
(MPP) vessels
- 3** geared bulk carriers
- 1** transhipper

**20** **Europe**

- 7** self-unloaders
- 13** cement carriers
- 7** cement carriers, managed only

**17** **Africa**

- 6** transhippers
- 5** transhipment barges
- 6** transhipment support tugs

**15** **Australia**

- 3** self-unloaders
- 2** geared bulkers
- 5** cement carriers
- 3** transhippers
- 2** transhipment barges

A photograph of four workers walking through a snowy industrial environment, likely a port. They are wearing hard hats, safety vests, and face masks. The worker on the far right is a woman in a white jacket and a hard hat with 'CSL' and 'IMO' logos. The other three are men in orange safety vests and hard hats. They are walking on a path covered in snow, with large red industrial structures in the background.

# OUR APPROACH TO ESG

Photo: Port de Trois-Rivières

Our ESG philosophy and approach are constantly evolving to further integrate sustainable practices into our business. By incorporating ESG considerations into our daily operations, we create a culture of sustainability, drive innovation, and collaborate with our customers and stakeholders to build a more sustainable future for all.





## OUR APPROACH TO ESG

# APPLYING AN INTEGRATED SUSTAINABILITY MODEL

We have a long-standing commitment to environmental stewardship and sustainability at CSL. In 2013, we became one of the pioneers in the shipping industry to release a sustainability report, showcasing our dedication to minimizing the ecological impact of our operations, both above and below the water.

We proactively pursue environmental initiatives that go beyond mandatory compliance requirements. We firmly believe in doing what is right for people, communities, and our environment. We work closely with policymakers and regulators to provide guidance and insights, and we actively support research efforts to ensure our decisions regarding environmental policies are grounded in sound evidence.

Our environment, society and governance (ESG) philosophy and approach drive thought leadership, cross-functional collaboration, and alignment to foster a culture of sustainability across our organization.

By integrating ESG considerations into our daily operations, we engage in meaningful discussions with our customers, drive innovation, and partner with industry leaders to build a sustainable future for the maritime sector.

## Our ESG Pillars



### ENVIRONMENT

- Decarbonize our operations
- Enhance resource conservation
- Protect life below water



### SOCIAL

- Advance zero harm
- Prioritize diversity and inclusion in the workplace
- Promote community engagement



### GOVERNANCE

- Ensure accountable and transparent reporting
- Promote ethical and responsible decision making



# Our Long-Term Targets







In 2018, we established our 2030 Environmental Vision to demonstrate our dedication to mitigating our environmental impact, and to align with national targets. Since setting these goals four years ago, there has been a growing awareness among organizations and nations worldwide about their ecological footprints and the urgency of taking action to minimize them.

We recognize the importance of setting science-based targets that are aspirational but achievable in the maritime industry. In 2022, we initiated strategic discussions to set the baseline for a decarbonization roadmap to 2030 and beyond. In 2023, we will review and revise our 2030 Environmental Vision to reflect our new ambitions. We will broaden our targets to include social and governance goals, reaffirming our commitment to reducing the wider impact of our operations on communities, the environment and property.

## ESG DATA REPORTING

Our ESG Scorecard is included in the Annex of our report, which combines three frameworks to provide comprehensive coverage of the impact of our business operations on the environment and society. We align our disclosures with the Sustainability Accounting Standards Board (SASB)'s Marine Transportation Industry Standard, the Global Reporting Initiative Standards, and the Green Marine environmental certification program.

## PERFORMANCE ON OUR 2030 ENVIRONMENTAL VISION

	OUR GOALS	2022 ACHIEVEMENTS
<b>AIR</b>  	<ul style="list-style-type: none"> <li>Reduce greenhouse gases per tonne-nautical mile by 35 percent compared to 2005</li> <li>Reduce sulphur oxides (SO<sub>x</sub>) by 95 percent</li> <li>Eliminate ozone-depleting substances</li> </ul>	<ul style="list-style-type: none"> <li>Achieved 26 percent reduction, compared to 2005</li> <li>Achieved 91 percent reduction</li> <li><b>Completed.</b> The fleet is 100 percent free of ozone-depleting substances</li> </ul>
<b>WATER</b>  	<ul style="list-style-type: none"> <li>Zero oil spills</li> <li>Adopt ballast water and biofuel technologies and solutions</li> <li>Increase understanding of vessel noise footprints and impacts</li> </ul>	<ul style="list-style-type: none"> <li>23 litres spilled in four oil-to-water incidents</li> <li>Installed eight ballast-water treatment systems across the fleet</li> <li>Supported the development of international regulations to reduce underwater noise</li> </ul>
<b>RESOURCE USE</b>  	<ul style="list-style-type: none"> <li>Reduce shipboard waste to landfill by 75 percent in m<sup>3</sup>/crew/operational day compared to 2010</li> <li>Recycle 50 percent of total shipboard waste</li> </ul>	<ul style="list-style-type: none"> <li>Reduced shipboard waste by 68 percent compared to 2010</li> <li>Achieved 29 percent recycling of shipboard waste</li> </ul>

## SHARED PRIORITIES

# Aligning Our Sustainability Efforts With Stakeholder Concerns



Photo: Port de Trois-Rivières

In 2019, we conducted a materiality survey to assess the concerns of our internal and external stakeholders regarding ESG-related matters. The survey results revealed that health and safety, accidents and oil spills, marine pollution, diversity and inclusion, and ethics and anti-corruption were the top five topics of importance.

In 2022, we recognized the growing importance of decarbonization to our customers, stakeholders and our business. As the world acknowledges the urgent need to address climate change, more aspirational carbon reduction targets and stringent compliance requirements have emerged, driving a global shift in focus. To ensure our sustainability beyond 2030, we must transition to renewable energies and embrace carbon removal technologies to reduce greenhouse gas emissions.

IN THE NEXT 24 MONTHS, WE WILL PRIORITIZE OUR SUSTAINABILITY EFFORTS AROUND THE FOLLOWING FIVE ESG TOPICS



Decarbonization



Health and safety



Ethics and anti-corruption



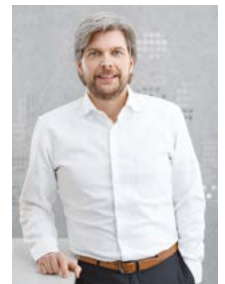
Diversity and inclusion



Accidents, oil spills and marine pollution

## CORPORATE ENVIRONMENTAL SUSTAINABILITY COMMITTEE

David Martin, co-owner of CSL, serves as the chair of our Corporate Environmental Sustainability Committee (CESC), which is tasked with overseeing CSL's sustainability initiatives. The CESC convenes biannually to discuss our sustainability strategy and policies, assess critical issues and opportunities, and evaluate our progress in achieving our sustainability goals.



# Partners for Progress

Collaboration with various partners and organizations plays a crucial role in helping us achieve our sustainability goals. By working together with our partners, we aim to foster innovation, accelerate progress, and drive collective action towards sustainability.

- **Canadian Whale Institute**, a charity devoted to the sustainable co-existence of whales and people.
- **Eyesea**, a non-profit organization that maps global pollution and maritime hazards.
- **Fonds d'action Saint-Laurent**, a charity that supports projects created to improve the ecosystem of the St. Lawrence River and Gulf.
- **Future Care**, an international medical management and telemedical service provider dedicated to meeting the needs of the maritime industry.
- **Green Marine**, an environmental certification program.
- **Group for Research and Education on Marine Mammals**, a non-profit organization dedicated to research on marine mammals in the St. Lawrence River.
- **IMPA ACT**, a sustainable procurement program developed by the International Marine Purchasing Association.
- **Innovation maritime**, an applied research centre affiliated with the Institut maritime du Québec.
- **Institut des sciences de la mer de Rimouski**, an institute dedicated to the discovery and advancement of knowledge about coastal environments from a sustainable development perspective.
- **Marine Animal Response Society**, an organization that aids stranded, injured or entangled marine mammals.
- **Marine Mammal Observation Network**, a non-profit organization that works to protect and conserve marine mammals and their habitats in the Gulf of St. Lawrence.
- **Maritime Anti-Corruption Network**, a global business network dedicated to ending corruption in the marine industry.
- **MeRLIN**, an innovation centre for the marine industry from Technopole maritime du Québec.
- **Moisson Montréal**, Canada's largest food bank.
- **Neptune Declaration on Seafarer Wellbeing and Crew Change**, a declaration promoting four main actions to protect seafarers during the COVID-19 pandemic.
- **White Ribbon**, a movement to end violence against women and girls.
- **World Wildlife Fund**, an international organization dedicated to wilderness preservation and the reduction of human impact on the environment.

## SUSTAINABLE DEVELOPMENT GOALS

### THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

As a global shipping company, we recognize our responsibility to support the United Nations Sustainable Development Goals (SDGs). While we may not have a direct impact on all 17 SDGs, we are committed to making a meaningful and positive contribution to those that are most relevant to our business and industry.

In our Sustainability Report, you will notice icons corresponding to the SDGs where our programs align most closely. We believe that by prioritizing these goals, we can leverage our expertise, resources, and partnerships to create long-term value and drive sustainable growth.





# ENVIRONMENTAL STEWARDSHIP

## OUR COMMITMENT TO A HEALTHIER PLANET

Photo: Windsor Aerial Drone Photography

We recognize the urgent need to take action to address the pressing environmental challenges we face today. We are committed to doing our part in reducing our footprint by prioritizing decarbonization, protecting marine mammals and their habitats, and managing our resources responsibly. Our approach is guided by the belief that sustainability is not just a responsibility but also an opportunity to create positive impact and drive innovation in the marine industry and beyond.





## DECARBONIZATION

Decarbonizing the maritime industry is not just a priority at CSL, it is an urgent imperative. We are dedicated to leading the way by pushing beyond compliance with existing regulations and envisioning innovative, sustainable solutions that will help create a net-zero future for our industry and our planet.

### Joining Forces for Net-Zero Shipping

At CSL, we understand that achieving decarbonization in the maritime industry requires a collective effort. That is why we prioritize collaboration and partnership with customers, ports, regulatory bodies, and suppliers. By working together, we can transform innovative approaches into standard operating procedures and create a new sustainable norm for the industry. Through shared knowledge and experiences, we can pave the way towards a decarbonized future for shipping where economic growth and environmental protection go hand in hand.

## Our 2030 Goal

Emit 35 percent less CO<sub>2</sub>eq per tonne of cargo moved, compared to 2005.

### HOW DID WE DO?



Achieved a **26 percent reduction** of CO<sub>2</sub>eq per tonne of cargo moved compared to 2005.



Achieved an **annual reduction of 3.07 percent** for total GHG emissions per tonne-nautical mile from our biofuel.



Decreased GHG emissions per tonne-nautical mile for loaded voyages by **0.6 percent annually**. This calculation does not include the life-cycle emissions reduction from our biofuel.

# EEXI and CII Readiness

We recognize the importance of increasing our global shipping fleet's operational and technical efficiency while reducing greenhouse gas emissions. The Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) are among the first short-term measures approved by the International Maritime Organization (IMO) as part of its initial greenhouse gas strategy.

In 2022, we undertook a comprehensive analysis and review of our fleet to ensure compliance with the new and stringent EEXI and CII regulations. This involved calculating and implementing the necessary measures to meet the legal requirements, such as upgrading our vessels with energy-efficient technologies, optimizing our routes and speed, and exploring alternative fuels.

## ENERGY EFFICIENCY UPGRADES: EPL/SHAPOLI DEVICES AND PROPELLER BOSS CAP FINS

Throughout 2023, we are implementing a series of upgrades aimed at improving the energy efficiency of our fleet in compliance with EEXI requirements. This includes the installation of engine power limitation (EPL) or shaft power limitation (ShaPoLi) devices on our ships. EPL devices use physical or electronic means to limit the power the main engine can use, while ShaPoLi devices measure power at the propeller shaft and stop the main engine from producing additional power once the EEXI-determined limit has been reached.

Additionally, we are continuing to install propeller boss cap fins across our fleet. By eliminating the hub vortex generated by rotating propellers, these fins reduce the amount of power required for a vessel to maintain a given speed, contributing to significant energy savings.

## USING THE POWER OF WIND

In line with our commitment to emission reduction, *MV Sunnanvik*, a cement carrier within our joint venture fleet Eureka, has been equipped with sails. *MV Sunnanvik's* trading pattern made it prime candidate among our vessels for this modification. The sails are projected to yield a 10% reduction in fuel consumption, resulting in overall fuel savings of 5%.

Prior to installation, an assessment was conducted to determine the optimal positions for maximum sail efficiency. To ensure adaptability and weather protection, the sails were installed in movable containers and deck foundations were reinforced deck to provide necessary support. The entire installation process was completed within approximately 10 days.

The experience gained from implementing sails on *MV Sunnanvik* will help determine whether similar modifications should be considered for other Eureka ships.



## UNIQUE VESSELS, UNIQUE CHALLENGES

CSL's self-unloading and pneumatic vessels help reduce carbon intensity and emissions associated with shoreside operations. They achieve this by reducing the reliance on shore infrastructure, improving cargo movement efficiency, and minimizing dust and cargo residue.

However, reducing carbon intensity on shore requires additional energy on board our vessels. This, combined with the more frequent port calls of shortsea shipping, penalizes our self-unloading and pneumatic shortsea shipping vessels under the EEXI's and CII's formulas which are more suited to standard ocean-going bulk carriers which have few port stops and rely on shoreside infrastructure. CSL has been advocating for the IMO to address the unintended consequences and inequities resulting from the formula and to ensure that the formula reflects the overall carbon reduction and environmental advantages of self-unloaders and shortsea shipping. The IMO has committed to review the effectiveness of the implementation of CII and EEXI requirements by January 1, 2026, to ensure that the regulations are fair and incentivize all shipping companies to reduce their carbon footprint.



## BIOFUEL

# Leading the Way to Net Zero



Since 2019, vessels in our Canadian fleet have accumulated over 51,000 running hours on biodiesel, making our biofuel trials the world's longest and most significant. Results to date show an 80 percent reduction in CO<sub>2</sub> emissions compared to marine gas oil and a drop of 110,000 metric tonnes in carbon from our Great Lakes operations. Starting in 2021, eight vessels in our Canadian fleet have been running on 100 percent biodiesel (B100) without modifications to existing equipment.

After a successful four-year trial, CSL has demonstrated that biofuel presents the best transitory solution to Net Zero. The use of biofuel not only reduces our carbon footprint but also the carbon footprint of our customers' supply chains. Biofuel allows our customers to reduce their Scope 3 emissions, which are the emissions resulting from activities from assets they do not own or control.

## PARTNERING WITH CUSTOMERS ON BIOFUEL

Starting in 2023, CSL's customers in Canada will have the opportunity to participate as partners in our biofuel program. Their support will help lead the way in the adoption of biofuels in the marine sector and the expansion of our fleet of vessels running on this green fuel. By participating, customers will be able to reduce their carbon footprint by taking advantage of the corresponding reductions in their Scope 3 emissions.



## STUDYING BLACK CARBON AND PARTICULATE MATTER FROM BIODIESEL

Our biofuel trial has demonstrated our compliance with NO<sub>x</sub> and sulfur content regulations while providing us an opportunity to measure the amount of particulate matter measuring 2.5 microns (PM<sub>2.5</sub>) and black carbon (BC) the biofuel produces.

These two pollutants have significant environmental and health impacts. Thanks to a Transport Canada grant, we measured PM<sub>2.5</sub> and BC in two of our ships using biodiesel, MV *CSL Welland* and MV *Rt. Hon Paul J. Martin*, and found that they produced low levels of these pollutants. MV *CSL Welland* produced less PM<sub>2.5</sub> and BC than when burning marine gas oil, and MV *Rt. Hon Paul J. Martin's* PM<sub>2.5</sub> results were similar to those of a comparable vessel burning marine diesel oil, while its black carbon values were lower.

These results further highlight the viability and wide spectrum of environmental benefits biofuels offer the marine industry.



# Real-time Monitoring for Fuel Optimization

Our proprietary energy management system, Operational Optimizer (O2), allows our crews to have access to accurate and real-time data about their vessel's performance. The system uses onboard sensors and fuel flow meters to gather data, providing the bridge crew with information about their ship's speed and fuel efficiency. This information enables crew members to make necessary adjustments to their vessel's power in the context of navigational safety and operational requirements.

The data gathered by the O2 system not only helps us optimize fuel usage on board, but it also allows us to compare a vessel's performance against its sister ships or historical benchmarks.

In the latter half of the 2022 season, eight ships in CSL's Canadian fleet used the O2 system to manage their speed. Over 152 days, they saved 213 metric tonnes (MT) of fuel, which reduced CO2 emissions by 683 MT.



Photo: David McLeod

## CLEAN SHIPPING ON THE GREAT LAKES


As a key player in the Canadian marine sector, we recognize the potential of biodiesel to establish short-sea shipping as a competitive and low-carbon alternative to road and rail transport. We remain committed to supporting the federal government in adopting a comprehensive decarbonization strategy that incentivizes investment and considers the full lifecycle of proposed solutions. CSL advocates for the establishment of a Green Shipping Corridor on the Great Lakes, customizable to Canadian ship design, environmental conditions and shipping patterns, that offers a range of decarbonization solutions, including biodiesel, batteries, shore power and other alternative fuels.


### BY THE NUMBERS

## CSL's 2022 Biodiesel Program

 **8 VESSEL TRIAL**  
FROM MAY TO OCTOBER 2022

MORE THAN 1,000 DAYS OR  
**24,000 HOURS**   
BURNING ONLY B100 BIODIESEL

**15,938 MT**  
OF **B100 BIODIESEL USED** 

**48,645 MT**  
OF **CARBON AVOIDED**   
ON A LIFE-CYCLE BASIS

- > 9,073 gasoline-powered passenger vehicles driven for one year
- > 168,201,790 kilometres (104,515,747 miles) driven by an average gasoline-powered passenger vehicle



# The Potential of Electrification

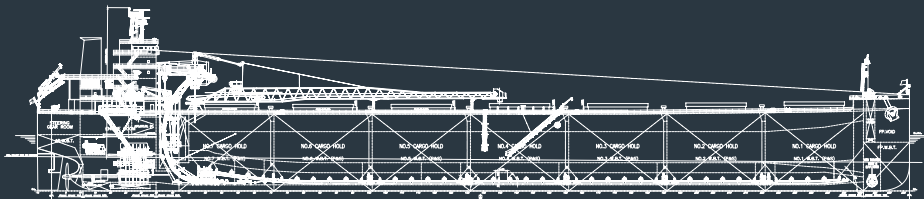
One promising approach to achieving zero CO2 emissions is to electrify our ships by installing batteries and using renewable shore power when in port.

## SHORE POWER IN AUSTRALIA

In early 2022, we pledged to support the New South Wales Port Authority and government in bringing shore power to the Bays Port area in Sydney, where our pneumatic cement carriers *MV Akuna*, *MV Wyuna*, and *MV Kondili* discharge close to 500,000 tonnes of cement per year.

We will retrofit our pneumatic fleet with the necessary equipment, including a cable management system, high-voltage circuit breaker, and safety circuits. This will enable our vessels to use renewable shore power during discharge operations.

By using shore power, we can replace our ships' consumption of up to 460 tonnes of marine diesel oil, and reduce up to 1,500 tonnes of CO2 equivalent emissions. Connecting to shore power will also eliminate NO<sub>x</sub>, So<sub>x</sub> and other airborne particulate matter from vessel stacks. The shoreside infrastructure necessary for this transition is expected to be completed by 2025. Cement Australia is also supportive of this project, which aligns with the New South Wales government's target of achieving Net Zero emissions by 2040.



## OPTIMIZED HULL, METHANOL-READY SHIP DESIGN

The design of the new series of vessels under construction to service the CSL International Pool exceeds the IMO's Energy Efficiency Design Index (EEDI) requirements for Phase 3. The ship's optimized hull form and energy-saving devices, such as pre-shroud vanes, hub vortex absorbed fins, and a fuel-efficient slow-speed MAN Tier III main engine, enable it to exceed the new standards. We believe this new vessel design can meet any environmental challenges and maintain a "C rating" on the Carbon Intensity Index (CII) for years to come. The main engine can also be retrofitted to burn methanol, giving the ship a "methanol-ready" class notation.



## EXPLORING BATTERY TECHNOLOGY ON THE GREAT LAKES

The Great Lakes are an ideal area for operating battery-powered lakers, and we have already completed a preliminary study that demonstrates the feasibility of this approach.

Our newest diesel-electric laker, *MV Nukumi*, has a highly efficient hull design and electric propulsion, and we have developed a preliminary profile to refine the design of future vessels and reduce power usage during navigation, maneuvering and port operations.

Despite the sailing range of current batteries being limited, we are confident that advancements in shore power infrastructure and battery technology will make electrification a possibility in the future. In 2023, we will refine vessel design, validate our initial findings, and continue to expand our capacity to cut carbon emissions.

### CSL 2030 GOAL

- Produce 35 percent less CO<sub>2</sub>eq per tonne of cargo moved than in 2005
- Reduce fleet sulphur emissions by 95 percent compared to 2010
- Eliminate ozone-depleting refrigerants from the fleet

### PROGRESS IN 2022

- Utilized B100 biodiesel on eight vessels
- Completed methanol-ready ship design
- Undertook ship battery feasibility study on the Great Lakes
- Measured black carbon and particulate matter from biodiesel
- Completed implementation plans and commenced deployment of EPL solutions to meet EEXI requirements on Australia, Americas and Europe vessels
- Tested draft optimization radar technology on one ship
- Deployed O2 on Canada Steamship Lines vessels
- Commenced design phase of shore power project for Australian cement vessels

### MOVING FORWARD

- Continue to use biodiesel on board eight vessels
- Conduct at least one biofuel trial in Australia, Americas or Europe
- Develop “live” fleet-wide decarbonization roadmap to 2030, 2040 and 2050
- Continue to refine battery ship design on the Great Lakes
- Deploy EPL solutions to meet EEXI requirements
- Install phase 1 shore power equipment on one cement vessel in 2023 and two in 2024

### SUSTAINABLE DEVELOPMENT GOALS





## ENVIRONMENTAL STEWARDSHIP

# PROTECTING LIFE BELOW WATER

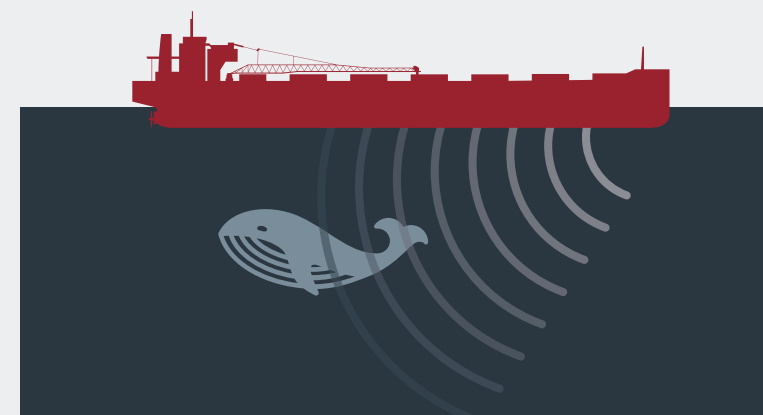
At CSL, we recognize our significant role in safeguarding the health and wellbeing of marine ecosystems as a major user of waterways. We firmly believe that protecting the environment is not only our responsibility but also a crucial component of our long-term success as a business.

To minimize our impact on the marine environment, we actively seek ways to reduce our environmental footprint. This includes implementing measures such as preventing oil spills, reducing underwater noise from our vessels, avoiding collisions with marine mammals, and managing aquatic invasive species.

By adopting these practices, we aim to contribute to sustainable business practices and reduce our impact on the environment. We continually assess our operations to identify areas for improvement and enhance our efforts to protect the marine ecosystems on which we navigate every day.

## Underwater Radiated Noise

Ships produce Underwater Radiated Noise (URN) at frequencies ranging from 20 to 100,000 Hz. This noise overlaps with the frequencies whales and other marine mammals use to communicate, feed, navigate and reproduce, thus reducing the area within which whales can thrive and survive. Since 2010, the number of whales in Canada have decreased at an alarming rate. In some species, fewer than 100 whales remain. We are committed to understanding and measuring the impacts of underwater noise on marine life, and we are reducing the noise our vessels emit.





## CSL Data Informs Draft IMO Regulations

As part of our efforts to reduce underwater noise, we participated in reviewing the 2014 International Maritime Organization's (IMO) Guidelines for the Reduction of Underwater Noise. The data collected from CSL vessels was used to support changes to the Guidelines. The IMO Ship Design and Construction Committee will present the updated Guidelines at the next IMO Maritime Environmental Protection Committee meeting (MEPC 80).

The IMO is also currently considering underwater vessel noise reduction targets. Data and research CSL collected assisted Transport Canada propose targets and develop a report to be presented at the IMO in 2023.



### MV THUNDER BAY PARTICIPATES IN UNDERWATER NOISE RESEARCH

This past year, CSL participated in the Marine Acoustic Research Station's (MARS) Project, which aims to measure and record underwater radiated noise signatures. To accomplish this, scientists from Innovation maritime, an applied research centre affiliated with the Institut maritime du Québec, joined us aboard MV *Thunder Bay*.

They strategically placed tachometers, microphones, and accelerometers on the ship to capture machinery and cavitation noise, which helped identify sources of acoustic and vibratory noise on board ships.

Moving forward, the project's next phases involve creating a model that can predict radiated noise and testing different methods to reduce these sounds.



# Reducing Vessel Speed to Protect Whales and Lower Emissions in California



## PROTECTING BLUE WHALES AND BLUE SKIES

Protecting Blue Whales and Blue Skies is a voluntary vessel speed reduction incentive program operating in the Southern California Region and San Francisco Bay Area. Seasonal and predictable slow speed zones are in place in these areas to help protect endangered whales, reduce GHG emissions and improve air quality and human health. Since the program began in 2014, the speed zones have helped to avoid more than 76,000 tonnes of GHG emissions. The program estimates the zones have cut whale strikes in half.

In 2022, CSL achieved the top Sapphire Award tier, for travelling at 10 knots or less over 85 percent of distances within the Vessel Speed Reduction zones. Our voluntary speed reduction from May 1 to December 15, 2022, contributed to the program's success in protecting the California coastal environment.

## PORT OF LONG BEACH GREEN FLAG PROGRAM

The Port of Long Beach's Green Flag Program recognizes vessels that voluntarily slow to 12 knots or less within 40 nautical miles (NM) of Point Fermin. The goal of the program is to reduce air pollution from  $\text{No}_x$ , diesel particulate matter and greenhouse gas emissions.

In 2022, MV *CSL Frontier* and MV *CSL Spirit* achieved a 100 percent compliance rate by slowing down within 40 NM of Point Fermin and a 97 percent compliance rate within 20 NM. The Marine Exchange of California measures and records vessel speeds, and the program avoids more than 1,000 tonnes of air pollution each year.

## OIL SPILLS

### FOUR OIL SPILLS

=  
< 23 LITRES

In 2022, CSL experienced four minor oil-to-water incidents, resulting in a total oil spillage of less than 23 litres. Three of the incidents had a total spillage of less than three liters. Despite the small scale of these incidents, CSL recognizes the importance of learning from each investigation to prevent future occurrences and achieve our goal of zero oil spills. We are committed to continually improving our practices to minimize our impact on the environment.



## Ballast Water Treatment on Our Canadian Fleet

In Canada, ballast water regulations came into effect in 2021, mandating the use of ballast water treatment systems in the Great Lakes. Conventional ballast water treatment in this area is challenging, due to zero salinity, low UV transmissivity and zero water temperatures. Regulatory compliance is required by September 2024 on vessels built after 2009, and by 2030 for all other vessels.

We continued to collect data and performance information from the ballast water treatment system installed on *MV Whitefish Bay* during the 2022 season. Due to the unique challenges of operating these systems on the Great Lakes, our technical team is conducting a thorough analysis of this data to ensure the remaining systems they install are efficient and optimal for this environment.

**95%**   
**OF INTERNATIONAL  
 FLEET EQUIPPED  
 WITH BALLAST WATER  
 TREATMENT SYSTEMS**

Since the International Ballast Water Management Convention came into force in 2017, CSL has installed 27 ballast water treatment systems across our fleet, accounting for 95 percent of our international fleet. Eight of these installations were completed in 2022 on vessels from our Americas, European and Australian fleets.



## PROTECTING MARINE BIOSECURITY IN THE PACIFIC OCEAN

Biofouling refers to the accumulation of living micro-organisms, plants and animals on surfaces submerged in, or exposed to, the marine environment. Stringent new regulations for managing biofouling on incoming international vessels took effect in 2022 in Australia and New Zealand to protect coastal marine species.

CSL's Australian fleet operates almost exclusively on the coast, except for scheduled drydock surveys, repairs and maintenance.

In 2022, *MV Mareeba* was required to remove all biofouling from its hull in Brisbane, Australia. To complete the cleaning, CSL used the Hullwiper, a brushless robotic in-water cleaning system that is the first of its kind in Australia.

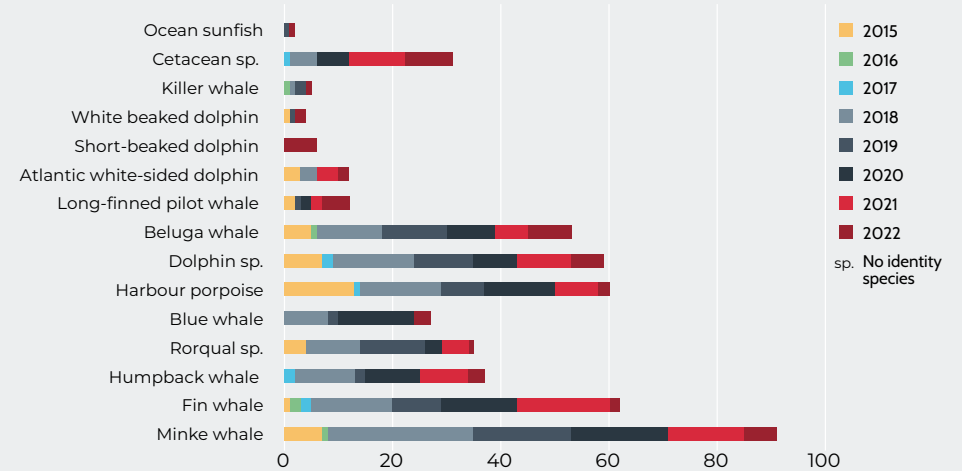
# Crews Contribute to Marine Mammal Observation Network



Since 2015, CSL has been voluntarily collecting whale sighting data in the Gulf of St. Lawrence and Estuary. The crews on board *MV Salarium* and *MV Baie St. Paul* have identified 512 whales over the past eight years. In 2022, the crew of *MV Nukumi* added 57 new sightings to this data.

The most commonly observed species by CSL crews were fin whales, minke whales, humpback whales, and dolphins. Among these, beluga whales made up 14 percent of the sightings, while short-beaked common dolphins were observed 11 percent of the time. Additionally, the crew spotted an ocean sunfish in the waters of Newfoundland, which is a rare sighting in this area.

## MARINE MAMMAL OBSERVATIONS COLLECTED BY CSL CREWS 2015-2022





## COLLABORATING FOR A CAUSE

# Our Partnerships in Whale Conservation

CSL is honored to collaborate with the following organizations, whose vital work supports the protection of whales and their habitats.



- Canadian Whale Institute
- Dalhousie University
- Eyesea
- Fisheries and Oceans Canada
- Green Marine
- Group for Research and Education on Marine Mammals
- Innovation Maritime
- Institut des sciences de la mer de Rimouski
- Marine Animal Response Society
- Marine Mammal Observation Network
- MeRLIN
- Parks Canada
- Protecting Blue Whales and Blue Skies
- Transport Canada
- Université du Québec à Rimouski

### CSL 2030 GOAL

- Zero oil spills
- Reduce the risk of marine aquatic invasive species transfer
- Understand the impact of vessel underwater noise on marine mammals and actively work to reduce it

### PROGRESS IN 2022

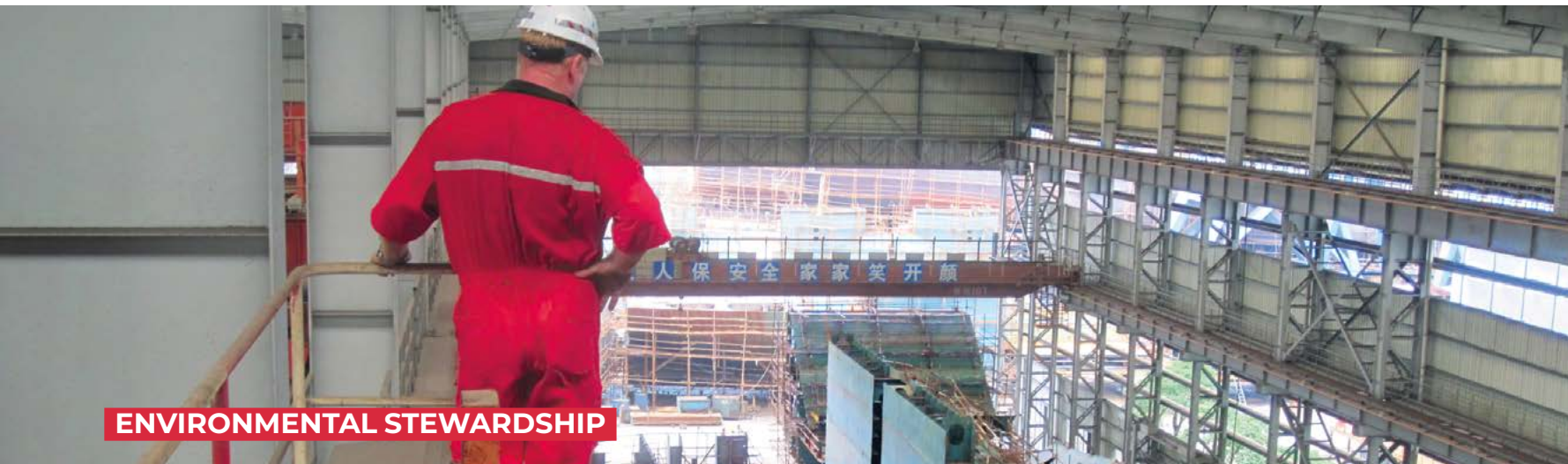
- Installed eight ballast water treatment systems in the global fleet
- Complied 100 percent with mandatory speed restrictions to protect North Atlantic right whales
- Participated in MARS underwater noise research on board MV *Thunder Bay*
- Complied 100 percent with voluntary speed restrictions at the Port of Long Beach, California

### MOVING FORWARD

- Collect underwater noise data on the St. Lawrence River via MARS and explore measures to reduce noise
- Champion further international underwater noise policy work
- Install more ballast water treatment systems on ships in the global fleet

### SUSTAINABLE DEVELOPMENT GOALS





## ENVIRONMENTAL STEWARDSHIP

# RESOURCE CONSERVATION AND RESPONSIBLE SUPPLY CHAINS

Resource conservation at CSL involves the responsible use of natural resources, such as fuel, water, and materials, throughout the lifecycle of our ships. This includes optimizing the ship's design and operations for greater fuel efficiency, reducing energy consumption and implementing waste-to-asset strategies.

Resource conservation also involves responsible and ethical procurement practices, such as using sustainable materials in ship construction and selecting suppliers who share our commitment to sustainability. By taking these steps, we aim to reduce our environmental impact and create long-term value for our customers and communities.

## IMPROVING FLEET EFFICIENCY AND FLEXIBILITY

In 2022, we further strengthened our fleet by acquiring the Australian bulker *MV Tawaki* and placing an order for four new ships as part of the fleet renewal and expansion of the CSL International Pool. Our aim in increasing the size of our fleet is to enhance efficiency and offer better service to our clients. In addition to expanding our fleet, we are also making use of our mature assets by re-purposing them to meet the evolving capacity requirements of our customers.





# Responsible Ship Recycling Begins at Design

Every vessel has a lifespan that eventually reaches a point where continued operation is no longer commercially viable. When this happens, we ensure responsible disposal by selling the vessel to shipyards, brokers, or other shipowners for either recycling or commercial use.

To minimize the environmental, safety, and health hazards associated with dismantling and recycling vessels, we implemented our Ship Recycling Policy in 2009. This policy covers the entire lifecycle of our vessels, from design and construction to end-of-life disposal. By identifying potential hazards in the earliest stages of design, we can minimize the risk and impact at the end of a vessel's life.

We prioritize environmentally friendly ship design and construction. When building new vessels, we minimize or avoid the use of hazardous materials such as PCBs, ozone-depleting substances, and asbestos. We also ensure the ship design facilitates the safe recycling and removal of hazardous materials at the end of its lifespan.

We ensure our ships remain compliant with environmental and safety standards by conducting inventories of hazardous materials before they commence operating. We continually update this inventory throughout the vessel's life, enabling us to manage hazardous materials effectively.

In 2022, we did not recycle any ships.





# Working with Like-Minded Suppliers

As part of our Code of Corporate Responsibility, we include compliance clauses in our contracts with suppliers that promote sustainable procurement practices. These clauses cover a range of important issues, including privacy of personal data, information security, modern slavery, sanctions, and anti-corruption.

By including these compliance clauses, we are committed to promoting safe, sustainable, and ethical business practices among our suppliers. This helps us ensure our supply chain is not only efficient and cost-effective, but also socially responsible and environmentally sustainable.



## GROUP PURCHASING TO SUPPORT A CIRCULAR ECONOMY

We are proud to participate in a group purchasing arrangement for our self-unloading conveyor belt needs with other ship owners and operators in North America.

Through this sustainable procurement approach, we have been able to reduce the variations in belt specifications from 100 down to 11, which allows us to order larger quantities of fewer varieties more cost-effectively. This has resulted in a 25 percent reduction in manufacturing energy.

In addition, by sharing the risk of common sizes, contingency volumes do not need to be as high, leading to a higher inventory turnover and a 15 percent reduction in obsolete belt waste. By pooling volumes of belts, we can also repurpose used belting into new products such as dock bumpers and agricultural mats, diverting over 54,430 kg (20,000 lbs.) of waste from landfills annually.

Over the last 10 years, we have diverted over 453,590 kg (1 million lbs.) of scrap belting from landfills by repurposing it into new products, contributing to a circular economy.

## CSL Americas Fleet

**90 PERCENT  
REDUCTION**  
IN USE OF 1.5 LITRE  
**PLASTIC WATER  
BOTTLES** SINCE 2021

PLASTIC BOTTLES USED:

**IN 2021**  
**33,184**

**IN 2022**  
**3,420**

## Joining the Fight Against Plastic Pollution

Plastic bottles pose a serious threat to marine and land ecosystems. The production and transportation of a single one-litre plastic bottle uses 250 ml of crude oil, 3 litres of water, and generates up to 330 grams of CO2 emissions. Improper disposal also harms aquatic life and further degrades the environment.

At CSL, we are dedicated to reducing our consumption of single-use plastics and actively searching for safe, cost-effective alternatives to plastic water bottles.

On average, our crew members consume more than 150,000 bottles of water each year. That is why CSL is an active participant in the IMPA SAVE initiative, which aims to reduce the use of plastic drinking water bottles on board ships by 2025.

In 2022, the crew of MV *Frontenac* increased their use of refillable water bottles, resulting in an 81 percent decrease in the number of plastic water bottles used on board. The IMPA SAVE initiative was further extended to MV *CSL Tadoussac*. We provided 55 refillable water bottles and installed five water stations on the ship. As a result, the crew was able to lower the volume of plastic water bottles used by 34 percent.

We implemented a similar initiative across our entire CSL Americas fleet in 2022. By replacing single-use water bottles with refillable bottles and water stations, we reduced plastic bottle use by 90 percent.



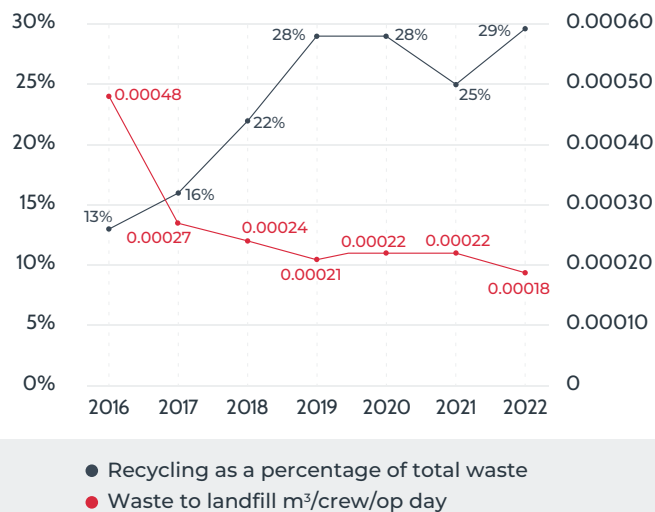
### ECO-FRIENDLY CLEANING ON OUR SHIPS

Our commitment to reducing our environmental impact and preventing pollution extends to the everyday products we use to clean the accommodations and common areas on our ships. Our procurement guidelines prescribe the use of eco-friendly products that are free from chlorine, phosphate, and nonylphenols, and that are readily biodegradable. To further reduce waste, we prioritize products with minimal and recyclable packaging, and promote the use of refillable bottles and other containers.

# Waste and Recycling Performance

This graph shows CSL's historic global waste performance. Recycling on board the fleet as a percentage of total waste has steadily increased, while the waste sent to landfill on a m<sup>3</sup> per crew member per operational day has slowly declined.

The success of CSL's waste management program relies on collaboration with our local waste providers shoreside. They help with vessel audits to improve waste management practices and ensure the maximum number of products can be repurposed and recycled.



ACHIEVED  
**29** PERCENT  
**RECYCLING**  
AS A PERCENTAGE OF  
TOTAL WASTE

**TOTAL WASTE**  
PER CREW MEMBER  
**DECREASED** BY  
**16** PERCENT  
COMPARED TO 2021

## CSL 2030 GOAL

- Produce 75 percent less shipboard waste than in 2010
- Increase shipboard recycling by 50 percent
- Conduct environmental impact assessments of critical suppliers
- Work with others to pursue circular economy opportunities

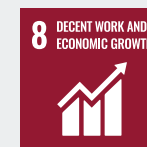
## PROGRESS IN 2022

- Produced 68 percent less shipboard waste per crew per operational day than in 2010
- Recycled 29 percent of total waste
- Installed noise reduction equipment on three vessels in Australia
- Phase I Inventory of Hazardous Materials completed for all vessels
- Completed waste audit on two vessels
- IMPA SAVE plastic water bottle initiative implemented across Americas fleet

## MOVING FORWARD

- Perform more waste audits and increase recycling to reduce amount of waste going to landfill
- Install water fountain on one vessel and enhance IMPA SAVE initiative on Australian fleet
- Continue mooring rope recycling initiative in Australia

## SUSTAINABLE DEVELOPMENT GOALS







Social responsibility is not just a matter of corporate duty at CSL, it's an essential component of our success. Our approach and initiatives are designed to promote employee diversity and inclusion, safe and healthy working conditions, and community engagement, all of which benefit our stakeholders and contribute to the long-term success of our business. We also recognize our responsibility to provide our customers with high-quality, safe, and reliable services that align with their values and expectations.

## SOCIAL RESPONSIBILITY

# HEALTH AND SAFETY

We are committed to zero harm and to protecting the health and wellbeing of our seafarers, employees, customers, suppliers, and communities. To achieve this, we prioritize safety as a fundamental consideration in every decision we make and take a proactive approach to identify and mitigate risks. Through our SafePartners program, our commitment to safety is embedded in our corporate culture and guides our actions on board and at shore.

## Our Safety Performance in 2022

Our global fleet saw a marked improvement in safety performance in 2022, which we attribute to the promotion of a robust safety culture, a strong focus on training and the rolling out of initiatives such as our fire integrated risk management (FiRM) project.

Our efforts resulted in a substantial decrease in lost-time injuries (LTIs) from 14 in 2021 to only four in 2022, with a noticeable decrease in the severity of the injuries sustained. Our lost-time injury frequency (LTIF) and total recordable case frequency (TRCF) rates reached record lows of 0.5 and 3.1, respectively.



An increase in the reporting of near misses, unsafe acts, and unsafe conditions was also on the rise, indicating a growing vigilance among our workforce.

While these achievements are a testament to the dedication of our seafarers towards our maturing safety culture, we recognize that even one LTI is unacceptable, as it represents harm or injury to someone. Our goal of zero harm is to prevent all incidents.

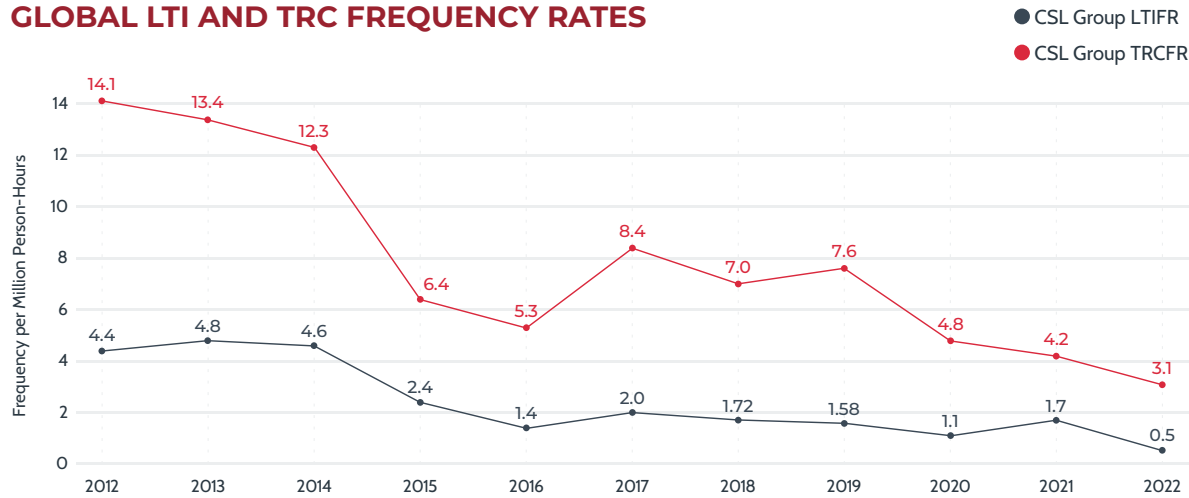
Despite CSL's commendable injury performance, the year was marked by several significant incidents involving vessels from across the fleet. These incidents included a collision with two moored tugs, a major engine room fire, and an intermediate tail shaft bearing failure. Fortunately, none of these incidents caused any injuries to crew members or other individuals.

As we move forward into 2023, we are determined to reduce injuries and incidents and have implemented a program to analyze significant events from the past and present. This analysis will help us identify commonalities and develop effective measures to prevent similar events from occurring in the future.



# Historical Injury Trend

## GLOBAL LTI AND TRC FREQUENCY RATES



## SAFETY RESULTS

### 2021 VS 2022

LTIFR	↓ 70.58%	👍	The lost-time injury frequency rate (LTIFR) refers to the number of lost-time injuries occurring in a workplace per 1 million person-hours worked.
TRCFR	↓ 26.19%	👍	The total recordable case frequency rate (TRCFR) refers to the sum of lost-time injuries, restricted work cases and medical treatment cases occurring in a workplace per 1 million person-hours worked.
👁️	↑ 21%	👍	<b>Safety Observations Reported</b> 1,426 in 2021 vs 1,722 in 2022 Safety observances refer to safe acts, unsafe acts and safety observations.
📅	↑ 29%	👎	<b>Days Off Duty 2022</b> The average days off per injury increased from 51 in 2021 to 66 in 2022.



## ADAPTING TO A CHANGING PANDEMIC ENVIRONMENT

We began 2022 navigating the ever-changing landscape of COVID-19 restrictions across our operating regions. Due to various travel bans and quarantine requirements, many of our crew members found themselves unable to travel to their vessels or return home after completing their assignments.

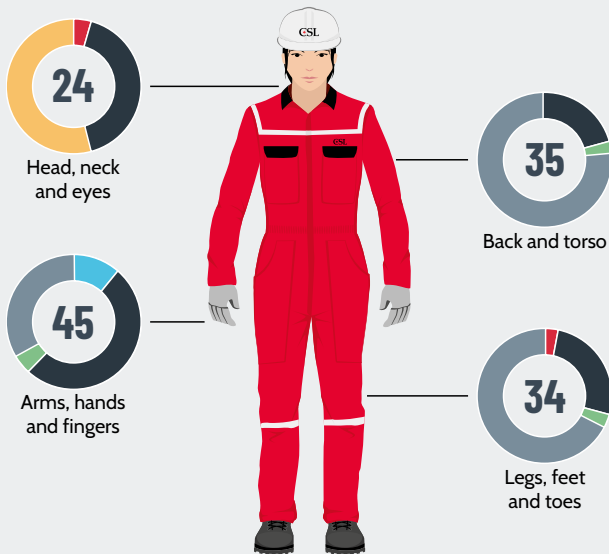
As the year progressed, we began to see restrictions easing in many parts of the world, allowing our seafarers to finally travel freely to and from their vessels. This was a welcome relief for everyone involved and helped us restore some degree of normalcy to our operations.

Despite the many challenges posed by the pandemic, we were able to adapt quickly to the changing circumstances and deliver exceptional service quality while prioritizing the health and safety of our seafarers.



## Injuries by Body Area 2022

This image depicts the number of safety incidents and locations on the body where people injured themselves in 2022. All injuries requiring First Aid and medical treatment and/or resulting in restricted work and lost-time injuries are included.



- Burns
- Crushes
- Cuts/Bruises
- Dislocations/Fractures
- Eye Injuries
- Strains/Sprains

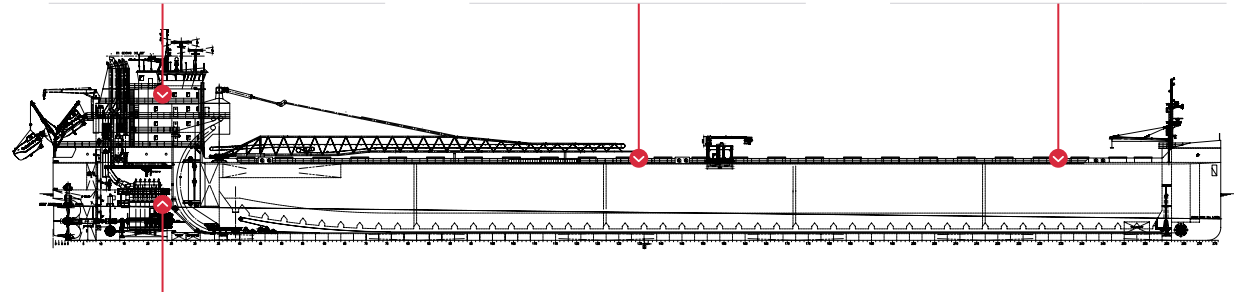
## Injuries by Ship Area 2022

This graphic depicts the areas of the ship where injuries occurred in 2022.

ACCOMODATION & GALLEY	
Injury type	2022
Burns	1
Crushes	0
Cuts/Bruises	11
Dislocations/Fractures	0
Eye Injuries	1
Strains/Sprains	6
Other	0

OPEN DECK	
Injury type	2022
Burns	0
Crushes	2
Cuts/Bruises	7
Dislocations/Fractures	2
Eye Injuries	6
Strains/Sprains	21
Other	1

MOORING DECK	
Injury type	2022
Burns	0
Crushes	0
Cuts/Bruises	8
Dislocations/Fractures	1
Eye Injuries	1
Strains/Sprains	2
Other	0



MACHINERY SPACE	
Injury type	2022
Burns	1
Crushes	0
Cuts/Bruises	7
Dislocations/Fractures	1
Eye Injuries	4
Strains/Sprains	11
Other	1

OTHER	
Injury type	2022
Burns	2
Crushes	0
Cuts/Bruises	5
Dislocations/Fractures	0
Eye Injuries	4
Strains/Sprains	7
Other	0

# SafePartners Safety Milestones



Building on our outstanding safety performance in 2022, a total of 20 vessels in the CSL global fleet earned a new safety pennant during the year for achieving LTI-free operating days, surpassing the 16 vessels that received a pennant in the previous year.

By December 31, 2022, 38 vessels in the global CSL fleet had earned a safety pennant, with four vessels achieving the highest award of quadruple platinum. To further recognize and reward such outstanding accomplishments, we are introducing new milestone levels to the SafePartners Pennant award program in 2023.

AWARD CRITERIA							
AWARD LEVEL	Quadruple platinum	Triple platinum	Double platinum	Platinum	Gold	Silver	Bronze
AMERICAS, AUSTRALIA, EUROPE	3,500 days	3,000 days	2,500 days	2,000 days	1,500 days	1,000 days	500 days
CANADA	2,555 days	2,190 days	1,825 days	1,460 days	1,095 days	730 days	365 days

## GLOBAL FLEET

### SAFETY PENNANTS 38 AWARDS

3 Quadruple Platinum

6 Triple Platinum

5 Double Platinum

3 Platinum

5 Gold

7 Silver

9 Bronze

## Upgrades to Our Core Safety Systems

Our flagship SafePartners program is the driving force behind our global safety performance. We are always looking for solutions to make any high-risk work activities safer for our crews. Each year, we strive to strengthen the program to create safer environments on board our ships.



Significant strides were made in 2022 to update and standardize the core systems that manage our health, safety, environment and quality functions, planned maintenance, and training across all regions. These improvements were made to ensure compliance with relevant maritime legislation, drive safety improvements, and streamline processes on board and ashore to reduce administrative tasks and foster engagement.

Collectively referred to as our SafePartners Management System (SP-MS), these improvements help to link everything under CSL's SafePartners program and ensure continuity across our operations. This process was initiated with the launch of an advanced learning management system, known as the Ocean Learning Platform (OLP) in Canada and Australia. This OLP serves as CSL's hub for computer-based training, covering a wide range of topics related to onboard operations, including safety, environmental compliance, cyber security, and mental health and wellbeing.

### SHIPSURE 2.0

The advanced marine enterprise platform, ShipSure 2.0, was also fully rolled out across our Australian fleet, joining our Americas and Europe fleets, that are already using ShipSure 2.0. This upgrade represents a significant improvement over ShipSure 1.0 and includes an ERP system for effective management of hazardous occurrence reporting, vessel inspections and certification, planned maintenance, environmental management, crewing, and hours of work and rest modules. The Canadian fleet is scheduled to be upgraded to ShipSure 2.0 in early 2023.





# Zero Harm



## SAFE+PEOPLE

- CSL employees and customers
- Contractors and suppliers
- Community



## SAFE+PLANET

- Air
- Water
- Resource use



## SAFE+PROPERTY

- Vessels
- Infrastructure

### OUR COMMITMENT

- Achieve Zero Harm
- Build on SafePartners through focused vessel safety design and risk management
- Focus on preventing catastrophic losses by tracking and learning from high potential occurrences
- Leverage technology and reporting/analysis to anticipate and prevent future accidents
- Increase the maturity of CSL's safety culture

### PROGRESS IN 2022

- Reduced LTIFR by 70.58 percent and TRCFR by 26.19 percent over 2021 continuing a downward trend from 2012
- Resumed in-person vessel visits and audits halted during the COVID-19 pandemic
- Continued the FiRM project to enhance fire safety on cargo conveyor systems and machinery spaces
- Continued safe operations during the COVID-19 pandemic and provided access to vaccines to all crews
- Rolled out the OLP learning management system in Canada and Australia
- Rolled out Shipsure 2.0 in Australia
- Provided safety leadership training for core shore employees

### MOVING FORWARD

- Develop leading safety indicators to complement LTIFR/TRCFR trends
- Continue to implement SafePartners roadmap
- Upgrade safety management IT tool for the Canadian and Australian fleets
- Mitigate fire risk in all onboard high-risk spaces and finalize the FiRM project
- Provide Safety Leadership Training for key ship and shore managers
- Increase focus on Bridge Resource Management Training with enhanced navigation and BMR audits
- Develop a roadmap to mitigate risks associated high-impact incidents

### SUSTAINABLE DEVELOPMENT GOALS





## SOCIAL RESPONSIBILITY

# DIVERSITY, EQUITY AND INCLUSION

We believe that fostering a diverse, equitable and inclusive workplace, where everyone is treated with respect and dignity, is not only the right thing to do but also essential to driving innovation and achieving our business objectives. We are committed to promoting a culture that values and respects differences, embraces diverse perspectives, and creates a respectful environment where all employees can thrive. Our goal is to foster a dynamic work environment that mirrors the world in which we operate.

## GLOBAL WORKFORCE

**32**   
COUNTRIES  
REPRESENTED

**31**   
LANGUAGES  
SPOKEN

## ON BOARD

**1,250+**   
SEAFARERS EMPLOYED BY  
CSL WORLDWIDE

## AT SHORE

**250+**   
OFFICE EMPLOYEES  
WORLDWIDE

 **40%**  
WOMEN

 **60%**  
MEN

  
**EDUCATION**

**32%** UNIVERSITY  
MASTER'S DEGREE

**43%** UNIVERSITY  
BACHELOR'S DEGREE

**14%** COLLEGE

**10%** OTHER

  
**GENERATION**

**11%** BABY BOOMERS  
1946-1964

**36%** GEN. X  
1965-1980

**52%** GEN. Y MILLENNIALS  
1981-1994

# Gender Diversity

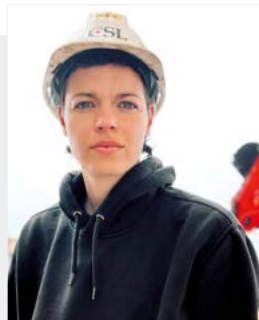
We are committed to creating a gender-balanced workforce at CSL and are proud to report that 40 percent of our office-based employees are women. Gender parity is even closer among our younger employees, where 46 percent of staff below the age of 30 are women. We recognize there is still work to be done and are actively working towards greater female representation. In 2022, nearly half (47 percent) of our new hires were women.

Our commitment to gender diversity extends to leadership positions within the company. While we continue to strive to increase parity, women occupy 33 percent of executive positions, 21 percent at the senior management level, and 34 percent at the management level.

## WOMEN SEAFARERS

The maritime industry remains extremely male-dominated, with women accounting for only 1.2 percent of the global seafarer workforce, according to the BIMCO/ICS 2021 Seafarer Workforce Report. At CSL, we are actively working to increase female representation on our ships. Currently, women represent only 5.75 percent of our ship-based workforce. However, 27 percent of our cadets, who are the future officers of CSL, are women.

We are proud to have women in leadership positions on our ships, including three Captains and one Chief Engineer. We recognize there is much progress to be made in this area and we remain committed to increasing the number of women leading our ships and engine rooms.



## PROMOTING DIVERSITY IN LEADERSHIP DEVELOPMENT

We acknowledge the crucial role that employee development programs play in promoting diversity among our future leaders. That's why we prioritize diversity and inclusivity as part of our Talent Voyage Leadership Development Program, which aims to equip selected employees with the skills and knowledge needed for future leadership roles. Program participants represent diverse backgrounds, ages, areas of expertise, and varying levels of experience, both within and outside the maritime industry. Notably, women comprise 45 percent of the program's participants. This wide spectrum of perspectives enriches the learning experience by blending the unique viewpoints of each participant, contributing to the journey and every learning activity. To further support their growth, all participants are paired with an internal mentor from the Senior Leadership Team who offers valuable guidance.



# Fostering Growth and Development: Our Commitment to Young Talent



CSL has been recognized as one of Canada's Top Employers for Young People for the second consecutive year, highlighting our commitment to fostering the professional development and growth of young talent. Each year, around 10 percent of our workforce is made up of ship cadets and office interns, many of whom are offered permanent positions once they complete their studies. CSL's paid internships expose young people to maritime careers and instill the importance of safety, wellbeing, and sustainable business practices.

To support young employees' growth, we offer individual development plans that include training, self-development, online learning, and tuition reimbursement. Additionally, our career enrichment program is designed to provide young people with the tools necessary to assume management positions and become effective leaders. CSL values a diverse and multi-generational workforce, as younger and older employees can learn from each other and contribute to our success. Ultimately, CSL's paid internships and career development programs enable young people to become effective leaders and shape the future of the marine industry.

## LEADING CHANGE THROUGH TRAINING



Respect is key to creating a workplace environment where all employees feel valued, safe, and included, regardless of their background or identity. This is why we provide diversity training to our office employees, including a mandatory "Respectful Workplace" course, as well as maritime-specific training for shipboard personnel on preventing harassment on board.

In 2022, we also provided training to develop mutual respect and understanding among seafarers of different genders, ages and cultures, and offered online learning resources aimed at creating a safe and inclusive work environment.



## OUR MULTI-GENERATIONAL WORKFORCE

We recognize the value of generational knowledge, where younger and older employees share knowledge and learn from each other, both on our ships and at shore. Our employees represent a diverse range of ages.

**Shore-Based  
Employee Age  
Representation**

**11%**  
ARE BELOW  
**30**

**64%**  
ARE BETWEEN  
**30-50**

**25%**  
ARE OVER  
**50**



## OUR DIVERSITY VISION STATEMENT

At CSL, diversity, equity and inclusion are at the core of our values and culture. We strive to foster workplaces where everyone is valued, appreciated, and empowered to be who they are. We recognize that varied ideas, perspectives and backgrounds create a stronger and more creative work environment and company, and brings us closer to our customers and the communities in which we operate.

### OUR COMMITMENT

- Create a safe and inclusive work environment where everyone can be their true self and achieve their full potential
- Increase the proportion of women in leadership positions to 50 percent
- Increase the proportion of women on board ships to 12 percent

### PROGRESS IN 2022

- Promoted employee awareness around diversity and inclusion topics and issues
- Launched a global "Women at CSL" group
- Continued collaboration with Transport Canada to recognize foreign seafarer marine certificates
- Continued efforts to promote CSL's indigenous unlicensed trainee program

### MOVING FORWARD

- Establish meaningful partnerships with organizations to attract and recruit diversified talents
- Update our diversity and inclusion program with renewed processes, tools, training and activities
- Provide training on diversity and inclusion roles and responsibilities in the workplace
- Adapt recruitment process to emphasize diversity and eliminate bias

### SUSTAINABLE DEVELOPMENT GOALS





**SOCIAL RESPONSIBILITY**

## EMPLOYEE ENGAGEMENT AND DEVELOPMENT

We recognize that our employees are integral to our success and essential in creating a sustainable business. Our commitment to our ship and shore employees begins by fostering safe and supportive work environments that enable them to thrive in their careers. We believe in empowering our employees to help them reach their full potential.

As always, we remain focused on keeping our CSL culture vibrant and our employees inspired and motivated. We offer our employees outstanding opportunities to learn and grow in their current positions and pathways forward to advance their careers within our varied operations. We have made new investments in online learning and encourage our ships' crews and shoreside employees alike to suggest ways to improve their work environment and our corporate culture.



## CSL Named One of Montreal's Top Employers

CSL was named one of Montreal's Top Employers for the fourth year in a row. The annual competition recognizes employers in the Montreal area that excel in providing outstanding workplaces and progressive human resources policies.

CSL stood out for its dedication to employee wellbeing and professional growth, and for its commitment to sustainability and community engagement, which fosters pride and purpose among employees. CSL's culture of innovation also provides employees with the opportunity to be at the forefront of industry developments, working on cutting-edge technologies and solutions that are transforming the marine transportation industry.



# Nurturing a Culture of Responsibility and Innovation

Sustainability is woven into the fabric of our organization. Our SafePartners program ensures that every decision we make considers safety to people, property, and the planet, with employees and crew undergoing training that aligns with environmental and social sustainability practices. We foster a culture of sustainability by encouraging the sharing of personal stories in meetings and company-wide communications, expanding the focus beyond our operations.



Cross-functional collaboration plays a vital role in meeting the requirements of sustainability partner programs. We actively engage employees from the Procurement, Commercial and Operations departments, and on board our vessels, utilizing their diverse expertise to provide data, communicate with stakeholders, and participate in initiatives. Our partnerships with organizations such as Green Marine, IMPA ACT/IMPA SAVE, Eyesea, and MMON are nurtured through collective efforts spanning multiple departments.

Employee performance is linked to ESG-related key results, allowing individuals to influence sustainability outcomes. Through a multi-level governance structure, we go beyond compliance, driving innovation to achieve our 2030 Environmental Vision.

We are committed to embedding sustainability throughout our operations, fostering a positive impact on people, the environment, and communities we serve.



## AN ENGAGED WORKFORCE

Throughout 2022, CSL shore-based employees maintained a high level of engagement, with scores averaging 7.9 on 10 in weekly pulse surveys. We attribute this success to several key initiatives aimed at empowering our managers and employees, offering flexibility, promoting learning and transparency, and prioritizing great working conditions, compensation, and communication.

Managers are provided with customized dashboards to help them track their team's engagement and encourage them to take action to improve it. We also empower our employees by offering a high level of flexibility and trust in work arrangements, including flexible schedules and work-from-home policies.

### 2020-2022 Officevibe Employee Engagement Scores

**7.7**  
IN 2020

**7.9**  
IN 2021

**7.9**  
IN 2022

# Driving Success Through Learning

We believe that investing in the growth and development of our employees is vital to their motivation and success, which in turn contributes to our company's overall achievements. Our focus is on continuously nurturing and advancing our ship and shore employees, creating a culture that values excellence and encourages innovative thinking.

We provide comprehensive training programs, engaging workshops, and ample professional development opportunities to equip our employees with the knowledge and skills they need to thrive in their roles. By fostering a commitment to ongoing learning, we not only enhance individual capabilities and career prospects but also strengthen our organization as a whole.



## SHORE-SIDE LEARNING PROGRAMS

<p><b>New Employee Training</b></p> <p>Onboarding courses on our business, values, strategy, and industry positioning, as well as HR capsules, safety and environmental training, and compliance courses.</p>	<p><b>Inside CSL</b></p> <p>These employee-led information sessions offer a valuable platform for colleagues to explore and appreciate each other's work.</p>	<p><b>LinkedIn Learning</b></p> <p>Employees can access over 10,000 online courses that cater to their skill development needs, with personalized recommendations based on their profile and interests.</p>	<p><b>CSL Academy Online Learning Portal</b></p> <p>The Portal provides access to a diverse array of learning content, carefully curated to help employees improve their job performance and advance in their careers.</p>	<p><b>CSL Academy Classroom Learning</b></p> <p>Classroom training opportunities, both in-person and online, to foster the development of specific skills.</p>	<p><b>CSL Learning Hours</b></p> <p>During designated Learning Hours, CSL reserves two hours per month for employees to dedicate to training and development.</p>
<p><b>Educational Assistance Program</b></p> <p>We encourage employees to pursue their education by offering a tuition reimbursement program that covers expenses for approved study programs.</p>	<p><b>External Seminars and Training</b></p> <p>Employees can take training courses beyond our existing catalogue, providing them with a broader range of learning options.</p>	<p><b>CSL New Manager Essentials – Learning Path</b></p> <p>This learning path teaches essential skills for a smooth transition into leadership, emphasizing effective communication, motivation, problem-solving, delegation, conflict resolution, and coaching.</p>	<p><b>Advice From Our Specialists</b></p> <p>Employees can access learning support including guidance on training options, coaching on tools, developing strategies, creating impactful e-learning, and coaching.</p>	<p><b>Toolbox to Develop Your Own Training</b></p> <p>Easygenerator is a user-friendly e-learning authoring tool that allows employees to rapidly create engaging and interactive learning content.</p>	<p><b>CSL Career Wheel</b></p> <p>The Career Wheel informs employees on career opportunities, required skills, and accompanying resources to support their career.</p>

## SHIP-SIDE LEARNING PROGRAMS

### Ocean Learning Platform

Seafarers in Canada and Australia can access 250 skills development courses on board their vessel, tailored to their rank and ship.

### Lifesaving Rules Training

CSL seafarers must undergo training on the Lifesaving Rules identified under the SafePartners program. In 2022, 81 percent of seafarers completed the training.

### ECDIS Training

Transitioning to paperless navigation has necessitated training on electronic chart systems. Over 210 Refresher Training certificates were awarded to CSL deck officers.

### Annual Training Requirement Survey

We conduct an annual survey among officers to assess training needs for career advancement. The data helps to identify requirements, compile statistics, and plan succession.

### CSL Winter Training

CSL works with marine colleges in Canada during the off-sailing season to provide career advancement training. Approximately 50 officers received rank-specific training in 2022.

### Training Development

Each year, CSL identifies training needs and prioritizes them for development across major projects. A committee reviews and assigns funding.

### Assistance Program for Unlicensed Seafarers

An assistance program helps permanent unlicensed seafarers pursue their studies to become officers. Since 2021, two candidates have graduated as 4<sup>th</sup> engineers through this program.

### CSL Officers Professional Development Program

The program offers personalized support to officers, focusing on management practices, wellbeing, and skill development throughout their career.

## OUR EVOLVING HYBRID WORK ENVIRONMENT

The COVID-19 pandemic brought about a transformative shift in our work practices, allowing us to offer our employees significant flexibility in their work schedules and workplace. This change yielded numerous positive outcomes, including improved productivity in certain areas of our activities and increased employee engagement.



By embracing a hybrid work environment, our shore-side employees gained the freedom to work from anywhere, fostering work-life balance and eliminating commuting stress. This flexibility has allowed for efficient time management, better integration of personal responsibilities with work obligations and a more supportive corporate culture. The shift also opened doors to a broader and more diverse talent pool, as geographic restrictions were eliminated. The infusion of fresh perspectives and expertise has further propelled innovation at CSL.

## PEOPLE GROWTH

Our People Growth Program aims to align our strategic goals with the aspirations of our employees by promoting career conversations on developmental objectives. Our Career Wheel program serves as a valuable tool to assist employees in understanding and seizing diverse career opportunities. The primary objective of the Career Wheel is to offer transparent information about the necessary steps for career advancement or lateral moves within the organization.

By utilizing this tool, individuals can gain clarity on potential career paths and understand the specific requirements they need to attain their desired career objectives. The Career Wheel empowers employees by equipping them with the knowledge needed to navigate their professional growth effectively.



## CREATING OPPORTUNITIES FOR SEAFARERS DURING CHALLENGING TIMES

As the war broke out in Ukraine in 2022, CSL's Ukrainian seafarers faced numerous challenges, including uncertainty about the safety of their families and homes, difficulty accessing financial services, and obstacles to travelling into and out of Ukraine. Overall, the situation in Ukraine placed significant hardships on seafarers and their families, making it all the more important for companies like CSL to provide support and assistance.



Our efforts to support our Ukrainian crew members included relocating 13 seafarers and their families to Canada. Thanks to an initiative by the Canadian government, these seafarers were able to integrate into our Canadian fleet, becoming the first to have their Ukrainian marine qualifications recognized on Canadian-flagged vessels.

This initiative was made possible by a program Transport Canada began implementing fully in 2022 to recognize foreign seafarers' marine credentials. In addition to the reciprocal agreement program with Ukraine, Canada has similar agreements in place with Australia, France, Georgia, and Norway. CSL was the first company in Canada to apply for and have Transport Canada endorse a Ukrainian seafarer's marine ticket under this program.

### 13 UKRAINIAN SEAFARERS RELOCATED IN CANADA

1 Chief Engineer	1 Chief Officer
3 2 <sup>nd</sup> Engineers	4 3 <sup>rd</sup> Officers
1 3 <sup>rd</sup> Engineer	2 Electro-Technician Officers (unlicensed)
1 4 <sup>th</sup> Engineer	

### OUR COMMITMENT

- Attract, select, develop and retain people with the right skillset and "fit"
- Foster employee satisfaction to enhance productivity and the customer experience
- Provide greater development and growth opportunities for employees and empower them to take ownership of their career progression
- Improve employee communication and engagement
- Prioritize employee health and safety at work

### PROGRESS IN 2022

- Launched the CSL Career Wheel competency framework
- Deployed the Ocean Learning Platform for global crews
- Continued efforts towards a smooth transition to a hybrid work environment
- Continued to coach managers on team engagement
- Optimized the payroll systems and processes
- Launched the New Manager Learning Program
- Enhanced retirement program for ease-of-use

### MOVING FORWARD

- Implement a revamped performance and development management program
- Reinforce employer branding and promotion strategies
- Revamp crew onboarding learning program
- Deploy succession planning development program for critical positions
- Deploy a strategy to attract, recruit, and onboard foreign seafarers
- Enhance and digitize key processes to improve employee experience
- Continue efforts to destigmatize mental health issues and support employees and managers

### SUSTAINABLE DEVELOPMENT GOALS





## MEETING CUSTOMER NEEDS RESPONSIBLY

We understand that our customers place utmost importance on achieving zero harm and minimizing their environmental impact. They trust us to transport their cargo with the highest level of safety and sustainability. We take this responsibility seriously and go above and beyond to ensure our operations are conducted in an environmentally and socially conscious manner.

Our commitment to delivering exceptional service, coupled with our dedication to environmental stewardship, ensures that our customers can rely on us to provide safe and sustainable transportation solutions that align with their values and contribute to a greener future.



## Sustainable Partner in a Responsible Supply Chain

We recognize the importance of sustainability throughout the supply chain, and actively collaborate with our customers to align our marine transportation solutions with their responsible sourcing and supply chain practices.

By fostering open and transparent communication, we work together to identify opportunities for improvement, innovation, and environmental stewardship. Our goal is to minimize environmental impact, reduce emissions, and promote ethical and sustainable practices. Through this shared commitment, we strive to contribute to a responsible and resilient supply chain that meets the evolving needs of our customers and the expectations of a sustainable future.

# Customer-Centric Solutions

Delivering tailored solutions that meet our customers' specific needs is an integral part of our business. We understand and value the unique requirements of our customers and strive to develop custom-built solutions that align with their sustainability and business goals, ensuring their satisfaction and success.

Our collaborative approach and innovative solutions exemplify our dedication to meeting and exceeding customer expectations.

"Through our partnership with CSL and the new state-of-the-art vessel, *MV Nukumi* that is serving our Eastern Canadian markets, we are committed to a sustainable future and to improving the social, economic, and environmental wellbeing of the community."

Paul McDermott, Senior Director, Bulk Supply Chain, Windsor Salt



## AWARD-WINNING MV NUKUMI COMPLETES FIRST YEAR OF OPERATIONS

*MV Nukumi*, CSL's newest self-unloading laker, successfully completed her first year of operation. Designed in partnership with Windsor Salt, the 26,000-dwt vessel provides a safe, sustainable, and reliable solution for delivering deicing salt from Mines Seleines to stockpiles across Quebec and Eastern Canada. *MV Nukumi's* custom features have met Windsor Salt's needs and surpassed expectations. The vessel's modern hull design, twin-fin diesel-electric propulsion system, and advanced cargo handling systems enhance efficiency, safety, and environmental performance. *MV Nukumi* was named the Bulk Ship of the Year 2022 at the IBJ Awards. The vessel was also named a Significant Ship of the Year 2022 by the Royal Institution of Naval Architects.



## IRON ORE EXPORT FACILITY AT THE PORT OF ASHBURTON

CSL, in partnership with CZR Resources and Strike Resources, has formed a consortium to develop a new iron ore export facility at the Port of Ashburton in Western Australia's Pilbara region. Together, we are securing approvals to construct and operate the Port of Ashburton West Quay Facility, which will handle up to five million tonnes of ore annually. With expertise from partners like EMS-Tech, CSL leverages our joint solutions to deliver unmatched value and marine ingenuity.



## HEAVY-LIFT DOCKING IN WHYALLA

CSL collaborated with SIMEC to devise a unique approach for docking three transshipment assets in Whyalla. By utilizing a heavy-lift vessel, we conducted the docking in situ, minimizing repositioning voyages and reducing downtime to just one month. This resourceful plan allowed for efficient hull inspections, surveys, and cleaning, while saving our customer significant expenses and reducing our environmental footprint. We take pride in our collaborative efforts with customers to develop creative solutions that deliver cost savings and value for all stakeholders.



## BESPOKE SOLUTIONS THAT DELIVER RESULTS

Our highly skilled technical teams, in collaboration with naval design and engineering partners, excel in delivering cutting-edge bulk material handling systems for shipboard and shoreside applications. We work closely with our customers throughout the entire project lifecycle, from initial concept to final design, engineering, construction, testing, and commissioning. Every project is approached with the understanding that unique operating conditions and requirements demand tailored services that meet the highest standards of safety and environmental performance.

## ENHANCING OUR SERVICES THROUGH CUSTOMER FEEDBACK



We place great emphasis on customer engagement and collaboration to continually enhance our services.

We proactively seek input and feedback from our customers at various stages of our partnership, ensuring we align with their needs and exceed their expectations.

In addition to a formal customer survey conducted every two years to measure satisfaction and understand priorities, we seek regular feedback and maintain ongoing and informal dialogues. This allows us to actively listen to our customers, gain valuable insights, and make continuous improvements to better serve them. Our goal is to build strong relationships, foster trust, and deliver exceptional value through tailored solutions.

## Engaging with Our Customers on Port Safety



### CANADA

In Canada, our Port Safety Program serves as a collaborative platform for customers to enhance the safety of their shoreside facilities and cargo operations. Through shared experiences and teamwork, CSL and our customers identify and mitigate operational hazards and safety risks. This program has yielded significant results, with customers investing over \$14 million in port upgrades, reinforcing our collective commitment to safety.

### AUSTRALIA

In Australia, we are spearheading the improvement of port safety performance by promoting safe marine operations. Through regular inspections and close collaboration with our stakeholders, we identify potential hazards and provide risk assessments to customers. Our proactive approach recently averted a major incident when a critical risk was flagged, leading to urgent repairs and planned structural upgrades. This safety-first mindset benefits CSL, our customers, and the industry as a whole.

# Strengthening Our Fleet

In 2022, CSL made significant strides in strengthening and expanding our fleet to enhance operational efficiency and better serve our customers. Through the addition of new vessels and the strategic redeployment of existing assets, we continue to optimize our fleet capabilities while embracing sustainable practices. We are committed to optimizing the utilization of our current assets by adapting and repurposing them to align with the changing capacity needs of our customers.



## NEW ADDITIONS IN AUSTRALIA AND EUROPE

In response to robust coastal demand in Australia, we welcomed the 39,855-DWT bulk carrier *MV Tawaki*.

Additionally, we acquired *MV Ale*, an 18,800-DWT bulk carrier constructed in 2012. This vessel is dedicated to servicing marine projects in Europe and will undergo conversion to the innovative “IP Flex” configuration, enabling its versatile deployment for Europe’s coastal industrial trade.

## RENEWING THE CSL AMERICAS’ FLEET

In collaboration with Algoma Central Corporation, we placed an order for four methanol-ready Kamsarmax-size self-unloading vessels. These modern ships will replace older vessels in the CSL International Pool, setting the standard for future ocean self-unloaders. The new ship design exceeds EEDI Level III requirements and includes Tier 3 engines. The vessels are expected to be 40 percent more efficient than the ships they will replace owing to a combination of fuel efficiency and optimized cargo lift.



## GROWING RESPONSIBLY IN WEST AFRICA

In May 2022, we expanded our transshipment footprint in West Africa by acquiring a 50% stake in Mariac, a joint venture with SMT Shipping. This strategic move not only strengthens our asset base but also allows for diversification into industrial bulk shipping and tug services in the region. Mariac currently operates a fleet of 26 assets, including transhippers, bulk carriers, multi-purpose product (MPP) vessels, and tugs. These assets are deployed both under contract and in the spot market, enabling us to provide a comprehensive and flexible range of services to meet market demand.

Through our investment in Mariac, we remain steadfast in upholding our ESG principles. We prioritize strict adherence to safety protocols and environmentally sustainable practices in our operations in West Africa. Additionally, we are committed to establishing a positive presence and working collaboratively with the communities in which we operate. By actively engaging local stakeholders and fostering mutually beneficial relationships, we aim to make meaningful contributions to the social and economic wellbeing of these communities.

# Supporting Sustainable Growth Where We Operate

We actively engage in supporting local development initiatives in collaboration with our customers. We believe that sustainable growth goes hand in hand with the wellbeing of the communities in which we operate.



In collaboration with our customer in Guinea, we are actively supporting the expansion of fish smoking facilities and equipment at port Nènè in Kamsar, Guinea. This project aims to empower local women who are predominantly involved in this activity, benefitting both their livelihoods and the local economy. The project includes the revival of the women's literacy program, recognizing the importance of education and the empowerment of women within the community.

## OUR COMMITMENT

- Maintain the highest standards of safety, ethical conduct, and environmental responsibility
- Respond to customer needs and maintain an open dialogue
- Exceed customer expectations by creating high value through efficiency, innovation and continuous improvement
- Position customers for the future through advocacy and partnerships

## PROGRESS IN 2022

- Served customers and developed customized solutions
- Continued biofuel trials on half of the Great Lakes fleet
- Designed and invested in a newer, more sustainable global fleet
- Expanded our transshipment services offering in West Africa
- Increased our niche bulk shipping capabilities with a fleet of MPPs
- Invested in a project ship to grow our rock logistics solutions offering for marine projects in Europe
- In partnership with our customer Windsor Salt, delivered the first diesel-electric Laker and first single point loader to operate in Canada

## MOVING FORWARD

- Expand biofuel trials beyond the Great Lakes and work with suppliers and customers to promote the use of biofuel in the marine sector
- Engage with customers to develop metrics to track and improve performance
- Form partnerships with customers and other stakeholders to promote a sound policy and regulatory framework for marine transportation

## SUSTAINABLE DEVELOPMENT GOALS







## EMPOWERING COMMUNITIES

We acknowledge the direct impact our operations have on the communities in which we operate and embrace our responsibility to give back and act as a catalyst for positive change. We firmly believe that business success is not only measured by financial achievements. It encompasses a broader commitment to creating lasting value on communities and the environment.

Our approach emphasizes building strong community relationships founded on trust, respect, and collaboration. Through our partnerships and philanthropic endeavours, we strive to enhance the wellbeing of individuals living and working in the areas we serve. We aim to forge a brighter and more resilient future for all through our active efforts to promote environmental sustainability, and support the diverse social and cultural needs of communities.

## Corporate Giving Based on Shared Values

Charitable giving at CSL is rooted in our corporate philosophy that deeply values giving back to our diverse communities. It is ingrained in our company culture, and we are committed to enriching lives, preserving the natural environment, and contributing to causes that have a meaningful impact.

Our philanthropic efforts are focused on three distinct pillars: education, the environment, and social affairs. Within these pillars, we prioritize initiatives related to educational assistance, the protection of natural resources and ecosystems, indigenous empowerment, arts and culture, community outreach, and health and human services. These areas reflect the diverse interests of our company and align with our commitment to making a positive difference in our communities.

To ensure effective allocation of resources, our Donations Committee sets an annual budget and evaluates donation requests based on specific criteria. We allocate approximately one percent (1%) of our net profit before extraordinary items to charitable organizations and disaster relief.

A portion of our donations budget is set aside each year to support a Matching Gift and Employee Sponsorship Program. Through this program, we encourage the charitable activities and volunteering efforts of employees by matching donations to educational institutions and other fundraising initiatives.

## EMPOWERING COMMUNITIES

# EDUCATION PILLAR



In 2022, we made significant contributions to the advancement of students enrolled in maritime colleges across the globe. Recognizing their potential as the future generation of seafarers, we provided a range of opportunities including scholarships, bursaries, cadetships aboard our vessels, and internships within our shoreside departments, at the following institutions:

- ▶ Australian Maritime College
- ▶ British Columbia Institute of Technology
- ▶ Georgian College
- ▶ Institut maritime du Québec
- ▶ Maine Maritime Academy
- ▶ Marine Institute of Memorial University
- ▶ Marine Society and Sea Cadets
- ▶ Massachusetts Maritime Academy
- ▶ Nova Scotia Community College – Nautical Institute



## SUPPORTING FUTURE SEAFARERS AND MARINE PROFESSIONALS

In Canada, our donations supported scholarships in Engineering and Nautical Sciences at five educational institutions. A total of 20 scholarships were awarded, evenly distributed between the two fields. Each recipient received a bursary and a guaranteed summer internship with CSL. Our support assisted students, particularly those in their first year, in pursuing their education and careers in the marine industry. We also donated \$10,000 to each of the five marine schools across Canada to further support future marine professionals. Twelve CSL cadets completed their training and started working as licensed officers in our Canadian fleet.



## EMPOWERING COMMUNITIES

# SOCIAL PILLAR

Under our social pillar, charitable giving, fundraising and employee volunteering support a variety of organizations and causes that work to empower individuals and communities, provide disaster relief and support culture, history and the arts.

Among the many organizations that we and our employees supported are:

- Beverly Bootstraps
- CHU Ste-Justine Foundation
- Community Giving Tree
- Dans la rue
- Harry Perkins Institute of Medical Research
- Kanien'kehá:ka Onkwawén:na Raotitióhkwa Language and Cultural Center
- Marine Museum of Kingston
- Mission to Seafarer
- Moisson Montréal
- Multiple Sclerosis Society
- Musée maritime du Québec
- Old Brewery Mission
- Open Door
- Red Cross
- Shepherd Center for Hearing Impaired Children

Through a collaborative effort with our customer in Guinea, we also committed \$100,000 to support the local economy at port Nènè in Kamsar where our vessels are operating. The donation will support the expansion of fish smoking facilities and equipment, empower the women involved in this activity and revitalize the women's literacy program.





## EMPOWERING INDIGENOUS COMMUNITIES

Through our ties with the Martin Family Initiative and other activities under our social, environmental and educational pillars, CSL actively works to strengthen indigenous education, culture, language and art.



### THE MARTIN FAMILY INITIATIVE

The Martin Family Initiative (MFI) works together with First Nations, Inuit, and Métis Nation People to support education, health, and overall wellbeing for children, youth, and adults. Its early childhood, literacy, entrepreneurship and mentorship programs are available in 100 locations across nine Canadian provinces and two territories, and have helped over 8,000 students since 2008.



**Martin Family Initiative**  
**Initiative de la Famille Martin**

### SUPPORTING MOHAWK LANGUAGE AND CULTURE



CSL's contributions and fundraising efforts played a pivotal role in raising \$100,000 towards the construction of the Kanien'kehá:ka Onkwawén:na Raotitióhkwa Language and Cultural Center. The significant donation positions CSL as the project's first major private donor outside the Kahnawake community and the government.

During our annual Marine Club week event in Toronto, attended by over 200 guests, we had the privilege of providing a platform to Grand Chief Kahsennenhawe Sky-Deer of the Mohawk Council of Kahnawà:ke. She shed light on the project's mission, which aims to revive the culture, language, arts, and traditions within the Mohawk community of Kahnawà:ke.

## DISASTER AND HUMANITARIAN RELIEF



Photo: Alvin Bryan

### HURRICANE FIONA

CSL has been actively engaged in disaster relief efforts, extending support to various initiatives. In response to the aftermath of Hurricane Fiona, CSL allocated \$25,000 to the Disaster Recovery Fund, which aided the Canadian Red Cross in assisting the victims affected by the hurricane. CSL donated an additional \$10,000 to the Town of Burnt Islands, the hometown of 13 Canadian crew members, to aid in the cleanup efforts after the hurricane's impact.

### HUMANITARIAN RELIEF IN UKRAINE

We recognized the need to offer humanitarian relief in Ukraine and support initiatives benefitting the safety and wellbeing of seafarers and their families, including our own. In addition to a humanitarian relief donation of \$25,000 to the Red Cross, which was matched by the Canadian government, CSL donated an additional \$25,000 to an initiative led by joint venture partner, Eureka, to support Ukrainian seafarers facing hardships as a result of the war.



# CSL Makes History at the Canada Games



In 2022, CSL partnered with the the Niagara 2022 Canada Summer Games and its Torch Relay program to support Canada's next generation of athletes. Held every two years, the Canada Games are the largest amateur multi-sport event in the country and bring together 5,000 young athletes from every province and territory. More importantly, the Games celebrate collaboration, inclusion, integrity, responsibility and determination – values that CSLers share and that embody the



CSL spirit to strive for excellence and always do the right thing — as individuals, as a company and as members of our communities. In a historical first for the Canada Games, a leg of the Torch Relay took a unique path when the torch was carried by water on *CSL St-Laurent*. CSL President and CEO Louis Martel had the honour of carrying the torch at the Canada Games Opening Ceremonies accompanied by CSL employees.

## COMBINING SPORT WITH A NOBLE CAUSE

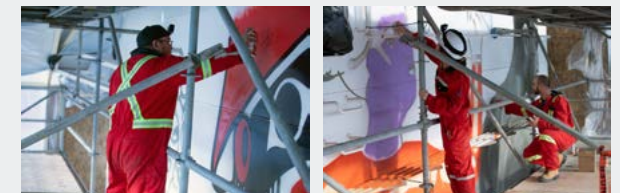
In celebration of the Canada Games, CSL employees across all regions joined forces to participate in the Catch the Games fundraising challenge. Combining fitness with a noble cause, CSLers collectively covered an impressive distance of 25,514 miles through physical activities. This remarkable effort resulted in raising a total of \$16,200, which was allocated to three charities dedicated to making sports accessible for disadvantaged children: KidSport (Canada), Every Kid Sports (USA), and Team Sport 4 All (Australia).



## SUPPORTING YOUNG ARTISTS

As part of our sponsorship of the Canada Summer Games, we commissioned four young Canadian artists to capture the spirit of the games and amateur sport in a spectacular mural painted on the accommodation block of *CSL Welland*. The colossal 16-by-14-meter mural, created by artists Bryan Beyung, Emmanuel Jarus, Andrea Wan and K.C. Hall, was unveiled at the opening ceremony of the 64<sup>th</sup> St. Lawrence Seaway navigation season.

Each artist painted a runner according to their distinct style, vision and tradition. Together, the four runners create a collective and harmonious work that reflects the broad mix of people, cultures, backgrounds and abilities in amateur sport today.





## EMPOWERING COMMUNITIES

# ENVIRONMENTAL PILLAR



As an advocate of environmental stewardship, we support research, education, and conservation projects that safeguard marine animals and their habitats. By partnering with organizations dedicated to these causes, we strive to raise awareness within the maritime industry and among the public, and to ensure the long-term sustainability of our natural environment.

In 2022, our support extended to several noteworthy organizations.

- Adelaide and Hills Koala Rescue
- Canadian Whale Institute
- Dolphin Research Institute
- Fonds d'action Saint-Laurent
- Group for Research and Education on Marine Mammals
- National Marine Life Center, a marine animal hospital and education centre in Massachusetts
- Salem Sound Coastwatch



## ENVIRONMENTAL CLEAN UP INITIATIVES

CSL employees actively engaged in clean up efforts across three regions, helping to make a positive impact on local environments. In partnership with Clean Up Australia, CSL Australia team members participated in an Environmental Clean Up Day at St Leonard's Park, collecting litter and micro-plastics. Canada Steamship Lines volunteers cleaned Archie-Wilcox Park as part of International Coastal Cleanup Day, collecting 17,037 kg of litter. In Boston, CSLers joined forces with Salem Sound Coastwatch to clean Dead Horse Beach, removing various debris.





## CSL SUPPORTS ROUTE BLEUE IN THE MAGDALEN ISLANDS

In 2022, we partnered with Fond d'action du Saint-Laurent to support the implementation of a Route bleue in the pristine environment of the Magdalen Islands, where our vessel *MV Nukumi* regularly loads road salt for Windsor Salt. Led by the Comité ZIP des Îles-de-la-Madeleine, the project, to be completed in 2024, aims to enhance and safeguard marine and coastal biodiversity in the Islands by educating paddle sport enthusiasts about eco-responsible practices.

Over the years, the number of paddlers has increased significantly on the Islands, leading to increased pressures on the marine environment and fauna. Paddlers who are unaware of their impact can unknowingly create breaches in the coastline or destroy coastal vegetation and habitats.

The Comité ZIP plans to evaluate access sites, targeting environmentally friendly developments, and create awareness material on geomorphology and biodiversity.

### OUR COMMITMENT

- Seek, identify and support causes that enrich lives, improve our environment and create opportunities for communities to thrive
- Donate approximately one percent of net profit (before extraordinary items) to charitable organizations

### PROGRESS IN 2022

- Donated one percent of net profit (before extraordinary items)
- Donated \$100,000 to support the local economy at port Nènè in Kamsar
- Donated \$100,000 towards the Kanien'kehá:ka Onkwawén:na Raotitióhkwa Language and Cultural Center project
- Achieved donations objectives in the education, environment and social pillars
- Continued to support food banks in Canada and the United States

### MOVING FORWARD

- Increase participation in the CSL Matching Gift and Employee Sponsorship Program
- Increase employee participation in volunteer and community engagement initiatives
- Educate employees on the impact of CSL's philanthropic efforts

### SUSTAINABLE DEVELOPMENT GOALS





Photo: Port de Trois-Rivières

Strong ethics and corporate responsibility are essential to maintaining the trust of our stakeholders. We are committed to upholding the highest standards of governance and transparency, not only to ensure compliance with legal and regulatory requirements but also to safeguard our reputation and sustain long-term growth. Our governance structure is designed to promote accountability and integrity throughout our operations, with a focus on ethical behavior, responsible decision-making, and effective risk management.



## GOVERNANCE

# CORPORATE GOVERNANCE

The CSL Group Inc. is headquartered in Montreal, Canada, and has offices in each of the regions in which it operates.

Company management is overseen by a nine-member Board of Directors, which includes CSL's three owners and six independent directors. In addition to overseeing the company's business activities, the Board of Directors advises the management team on CSL's strategic and operational direction.

Many of the Board's responsibilities are carried out through three working committees who meet and report back to the Board throughout the year.

CSL and its owners believe that strong governance practices are essential to ensuring the company is managed responsibly and in accordance with CSL's core values.



## Board Committees

### AUDIT AND RISK COMMITTEE

The committee supports the Board of Directors by overseeing critical areas, including financial reporting integrity, internal controls, risk management, policy compliance, financial management performance, budget review, valuations for significant transactions, financial calculations for executive incentives, financing activities, and external auditors' qualifications and performance.

### HUMAN RESOURCES COMMITTEE

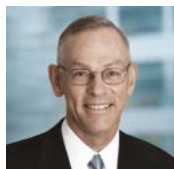
The committee's responsibilities include assessing the performance of the CEO and senior management against the strategic plan, making recommendations on remuneration packages and annual wage adjustments, requiring management to report serious breaches of the Company's Code of Corporate Responsibility, overseeing ongoing investigations, and referring serious breaches to the Audit and Risk Committee if necessary.

### CORPORATE ENVIRONMENTAL SUSTAINABILITY COMMITTEE

The committee's duties involve monitoring the impact of environmental factors on the CSL's long-term business value and reporting to the Board of Directors. It supports management in fostering environmental sustainability in response to legislative developments and standards. This includes monitoring compliance with environmental laws, implementing environmental policies, conducting environmental audits, tracking progress in waste reduction, advising on strategic partnerships, and approving the annual Corporate Sustainability Report.



# CSL Board of Directors



**Jacques Bougie**, formerly President and Chief Executive Officer of Alcan, is currently a Director of McCain Foods Limited and KDC-One Inc. He is also Chair of the advisory board of the Montreal Neurological Hospital and Institute. Mr. Bougie has served on the boards of SNC-Lavalin, Atrium Innovations, Alcan Inc., BCE Mobile Communications Inc., Bell Canada, Royal Bank of Canada, Nova Chemicals Corp., Novelis Inc., RONA Inc., Abitibi-Consolidated Inc. and AbitibiBowater Inc.



**Ian L. Edwards** is President and Chief Executive Officer of SNC-Lavalin, where he held successively senior roles until his current appointment in October 2019. He joined SNC-Lavalin in 2014 after six years in senior management roles with the Leighton Group, including that of Managing Director, Leighton Asia, India and Offshore. Mr. Edwards is an incorporated Member of the Chartered Institute of Building, a Fellow of the Institution of Civil Engineers, and Fellow of the Hong Kong Institution of Engineers.



**Marie-Josée Guérin** was Vice-President, Finance, Special Projects in the Americas for Air Liquide from September 2022 to March 2023, Chief Financial Officer, Air Liquide North America, from 2019 to 2022, and Chief Financial Officer, Air Liquide Canada, from 2006 to 2019. Prior to joining Air Liquide, Ms. Guérin spent over 20 years at KPMG, including 10 years as audit partner with public and non-public organizations.



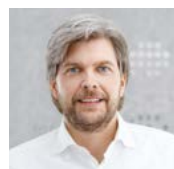
**Rhodri J. Harries** is the Chief Financial and Administrative Officer of Gildan Activewear based in Montreal. Prior to joining Gildan in 2015, Mr. Harries spent 11 years with Alcan and then Rio Tinto Alcan in several roles including Chief Financial Officer and Chief Commercial Officer, and 15 years at General Motors where he held successive positions of increasing responsibility in finance and business development. Mr. Harries also sits on the Board of Directors of Stella-Jones Inc.



**Rod Jones** was President and Chief Executive Officer of The CSL Group Inc. from 2008 to 2017. Over his 30-year career with CSL, Mr. Jones led the team that launched CSL Americas and CSL's international expansion to Australia, Asia, Europe and Africa. He also was a Director on the Board of The Standard Club Board, a P&I insurance club, from 2000 to 2017, where he served as Chair from 2014 to 2017. Prior to CSL, Mr. Jones held management positions at Van Ommeren and Navios Corp.



**William (Bill) Linton** is a Corporate Director currently serving on the Boards of TMX Group, Inc., Empire Company Ltd. and Deveron Corp. He served as Executive Vice-President, Finance and Chief Financial Officer at Rogers Communications Inc. from 2005 to 2012, and was Chief Executive Officer of Call-Net Enterprises from 2000 to 2005. Mr. Linton is a Fellow of the Ontario Institute of Chartered Accountants. He also is an active investor and serves as a director of several private companies in the technology and finance industries.



**David P. A. Martin** is President of Bromart Holdings and an owner of The CSL Group Inc. and Horizon Capital Holdings, of which he is the Co-President and Chief Executive Officer. Mr. Martin is a former Chair of the Board of Directors of the World Wildlife Fund (Canada) and a co-founder and General Partner of Capital for Aboriginal Prosperity and Entrepreneurship Fund (CAPE Fund).



**R. James E. Martin** is a film and television producer and an owner of The CSL Group Inc. and Horizon Capital Holdings. Mr. Martin began his career marketing films at The Movie Network before working in theatrical distribution with TVA International, a subsidiary of Montreal's Astral Network. Since 2006, he has been producing features through his own production company, High Treason Productions, and is currently developing a television co-production in partnership with Ciné Télé Action.



**Paul W. J. Martin** is the Chair of the Board of Directors of The CSL Group Inc. as well as an owner of The CSL Group Inc. and Horizon Capital Holdings.

## GOVERNANCE

# ETHICS AND CORPORATE RESPONSIBILITY

## CSL'S CODE OF CORPORATE RESPONSIBILITY

CSL's Code of Corporate Responsibility underpins our ethical commitment and practices. The Code establishes our ethical responsibilities. It provides clear rules outlining appropriate conduct towards customers and business partners, our respect and fair treatment of employees, compliance with law, the need to protect the environment, and our zero tolerance for any form of corruption.

The Code is part of our social licence to operate. Observing the Code is the obligation of every CSL director, officer, and employee.



## ZERO TOLERANCE FOR CORRUPTION

We firmly believe that actively engaging with stakeholders to identify and address the root causes of corruption is the most effective approach to combat corruption, rather than simply avoiding regions where it is perceived. This is why we adopt a zero-tolerance policy regarding any form of corruption in our business operations. Our robust anti-corruption program focuses on due diligence

and stringent controls to ensure a corruption free business environment. We have assumed a leadership role in the Maritime Anti-Corruption Network, which works with governments, non-governmental organizations and civil society to identify and mitigate the underlying causes of corruption. Our ultimate goal is to foster a culture of integrity within the entire maritime community.

## Human Rights

CSL recognizes its obligation to act responsibly towards people. This commitment rests on our fundamental respect for, and support of, internationally recognized principles contained in the UN Global Compact, as made operational with the UN Guiding Principles on Business and Human Rights (UNGPs).

To act responsibly, we have committed to adopting a system that identifies, prevents, mitigates and accounts for potential and actual material adverse impacts on society that we cause or contribute to, or that are linked to our company by our business relationships. This includes remediating material adverse impacts our business causes or contributes to on all human and labour rights referenced in the International Bill of Human Rights (IBHR). We also abide by the International Labour Organization's Declaration on Fundamental Principles and Rights at Work (ILOD).

CSL also has an established process to prohibit discrimination based on religious creed, colour, race, national origin, ancestry, age, disability, family status, gender, sexual orientation, veteran status, pregnancy, childbirth or any other characteristics protected by law. We outline our expectations for our employees in our Employee Handbook.

In accordance with CSL's Code of Corporate Responsibility, CSL always:

- ♦ respects human rights throughout its operations in every country;
- ♦ provides fair and competitive employment terms;
- ♦ promotes equal opportunity employment;
- ♦ treats employees fairly and complies with applicable laws and regulations.

## ETHICSPPOINT HOTLINE

EthicsPoint is a confidential, third-party reporting service available to anyone who would like to report anonymously any wrongdoing related to CSL.

Submit a report online at [www.cslships.com/ethicspoint](http://www.cslships.com/ethicspoint) or call toll-free in Canada and the United States at 1-866-384-4277.

Consult the website if calling from elsewhere in the world.

## THE UNITED NATIONS GLOBAL COMPACT AND COLLECTIVE ACTION

CSL actively supports the 10 principles of the United Nations Global Compact. The Compact is a voluntary corporate responsibility initiative created to “advance a sustainable and inclusive global economy that delivers lasting benefits to people, communities, and markets.” CSL actively ensures and verifies that all directors, officers, and employees comply with the 10 principles.



**United Nations**  
Global Compact

## Whistleblowing



We encourage our employees, customers and the public to report any breaches to CSL's policies and commitments. To this end, we use EthicsPoint, a confidential, anonymous, third-party reporting service. We investigate and address all reports filed through EthicsPoint. We keep these reports confidential. You can submit an anonymous and confidential report through EthicsPoint online or via telephone.

In 2022, we received 14 alleged breaches to CSL policies and commitments, reported through the whistleblowing system or through other channels. This is a reduction from 2021, where we received 21 complaints. Below is a summary of the complaints and the actions we took.

Nature of Complaint	Number of complaints	Number of breaches detected	Number of corrective actions
Accounting and Auditing Matters	0	0	0
Bribery	1	0	0
Conflict of Interest	0	0	0
Discrimination	1	0	0
Harassment	9	2	2
Embezzlement	0	0	0
Falsification of Contracts, Reports or Records	0	0	0
Misconduct or Inappropriate Behaviour	0	0	0
Sabotage or Vandalism	0	0	0
Substance Abuse	0	0	0
Theft	0	0	0
Unsafe Working Conditions	1	1	1
Violation of Policy	0	0	0
Violence or Threat	1	0	0
Other	1	0	0



## GOVERNANCE

# FIGHTING BRIBERY AND CORRUPTION

Since introducing our Anti-Corruption Program, CSL has been at the forefront of the movement to end bribery, extortion and corruption in the shipping industry. Now in its 12<sup>th</sup> year, the program is designed to ensure CSL's business operations are corruption-free.

We achieve this objective through four components:

- a strict policy against any form of corruption;
- due diligence and verification of everyone representing CSL in any dealings with government officials;
- training employees on corruption avoidance and best practices;
- a system of checks and verification to prevent corruption.



## MARITIME ANTI-CORRUPTION NETWORK

CSL is a leading member of the Maritime Anti-Corruption Network (MACN), a global business network dedicated to eliminating corruption in the marine industry. Since its inception in 2011, MACN has grown to more than 170 members globally. Those members represent more than half of the world's shipping industry. The network has become a pre-eminent example of an industry-led organization taking collective action to eliminate corruption across the maritime industry and the wider supply chain.



## Integrity Training

CSL's employees received integrity training in 2022 to increase their awareness of the dynamics and impact of corruption, and to provide them with the tools and insight necessary to identify and address risks.

Employees working in our operations and purchasing departments in all regions received specific training to reinforce the importance of CSL's Anti-Corruption Program and our zero-tolerance stance on corruption in any form.

## ANTI-CORRUPTION MANUAL

Adopted in 2012, the CSL Anti-Corruption Manual outlines the policies and procedures that form CSL's Anti-Corruption Program. The Manual applies to CSL and all our officers, directors, and employees. We also require our partners, agents, and other representatives to abide by the same ethical standards our Program and our Manual outline.

## GOVERNANCE

# COMPLIANCE AND RISK MANAGEMENT

## Compliance with Laws and Regulations

Our robust compliance program ensures our business operations strictly adhere to the laws and regulations of the countries where we operate. All interactions between CSL employees and public officials are conducted with utmost integrity, safeguarding the reputation of both parties involved. In addition to complying with laws applicable to individuals and CSL, all employees are expected to uphold CSL's high ethical standards.

## RISK MANAGEMENT

We prioritize a comprehensive approach to risk management through our Enterprise Risk Management (ERM). Through this process, we identify and measure the top risks that our organization faces. We prioritize decision-making that takes into account these risks and ensure effective management strategies are in place. Regular risk identification, quarterly updates, and an annual review form essential components of our risk management practices. We place emphasis on integrating risk considerations into our strategic processes and decision-making. Communication, training, and the active involvement of senior management are crucial in identifying, managing and reporting on key risks.



## GOVERNANCE

# Statement on Modern Slavery

Modern slavery encompasses various forms of contemporary exploitation, including forced labour, forced marriage, human trafficking, slavery, servitude, and child labour. CSL is deeply committed to upholding stringent ethical standards throughout our global operations, unequivocally rejecting modern slavery, human trafficking, and any form of coerced labour. As an integral aspect of our business strategy, CSL maintains a comprehensive corporate social responsibility program, which encompasses the implementation of diverse policies and procedures to foster ethical conduct, provide a safe working environment, and ensure equitable labour practices.

## OUR COMMITMENT

- Rigorously uphold the highest ethical standards in every aspect of the business
- Ensure all employees and agents are educated about and comply with policies, laws and ethical conduct

## PROGRESS IN 2022

- Chaired the Maritime Anti-Corruption Network
- Trained shore-based employees on ethical conduct and corporate policies
- Trained operations and purchasing teams on strict compliance with the Anti-Corruption Program
- Trained commercial employees on competition law
- MACN anti-bribery training provided to vessel employees
- Trained shore-based employees and vessel officers in Canada on the prevention of workplace harassment
- Investigated 14 complaints – seven filed through anonymous whistleblowing and seven reported directly within CSL (down from 21 in 2021). Reports were treated appropriately and reported to the Audit and Risk Committee or the Human Resources Committee of the Board of Directors.

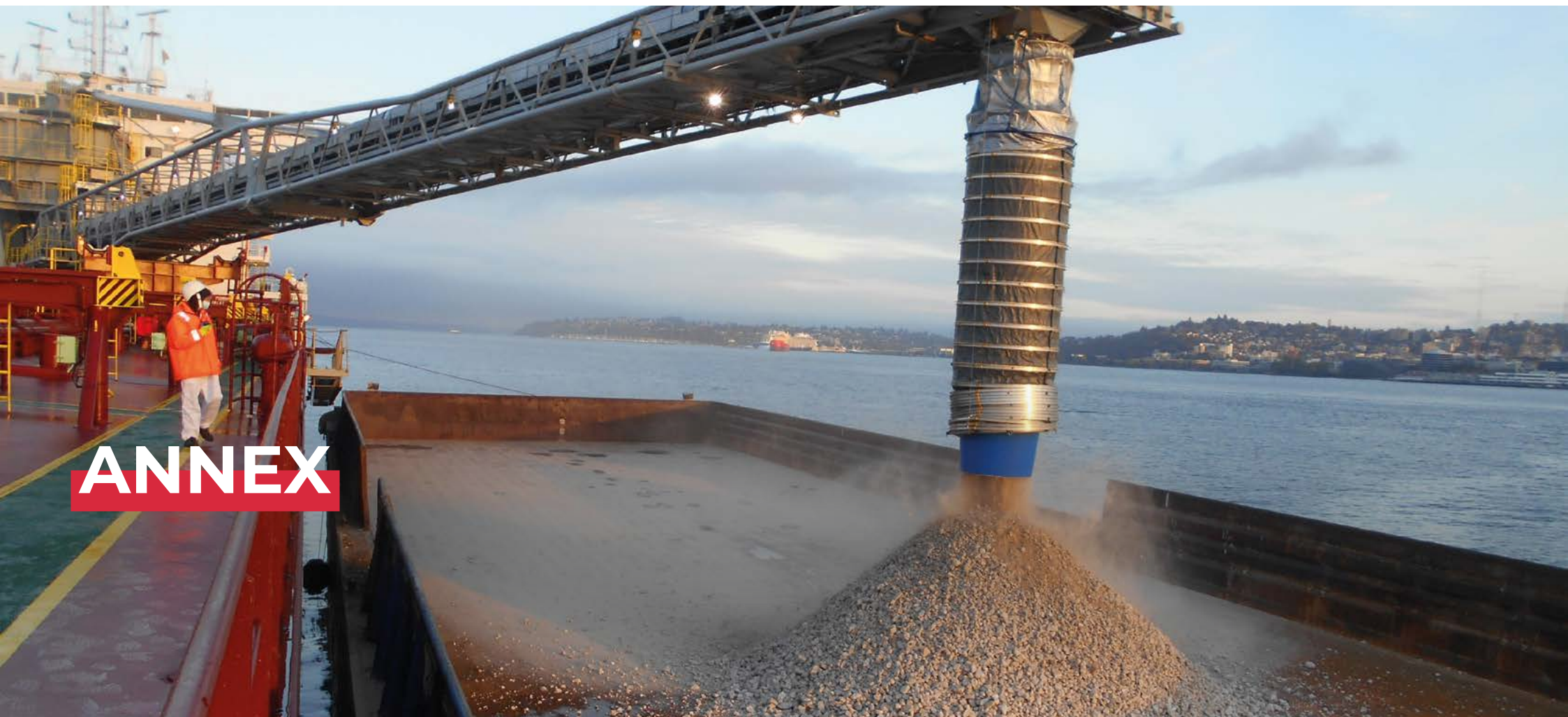
## MOVING FORWARD

- Continue to take an industry leadership role in combatting corruption in all its forms worldwide
- Provide education and training on ethical conduct and legal compliance when onboarding new ship-based employees
- Develop video tools to educate employees on the importance of ethical conduct.

## SUSTAINABLE DEVELOPMENT GOALS







# GREEN MARINE PERFORMANCE

Green Marine is a voluntary marine environmental certification program that helps shipowners, ports, terminals, Seaway corporations and shipyards improve their environmental performance. CSL and all participants agree to publish their results annually, and have an external auditor verification every two years.

Because program requirements vary in different operating jurisdictions, CSL's participation in Green Marine is divided between Canada Steamship Lines, which encompasses our entire Canadian fleet, and CSL International, which includes all our other shipping fleets.

## LEVEL ACHIEVED IN 2022

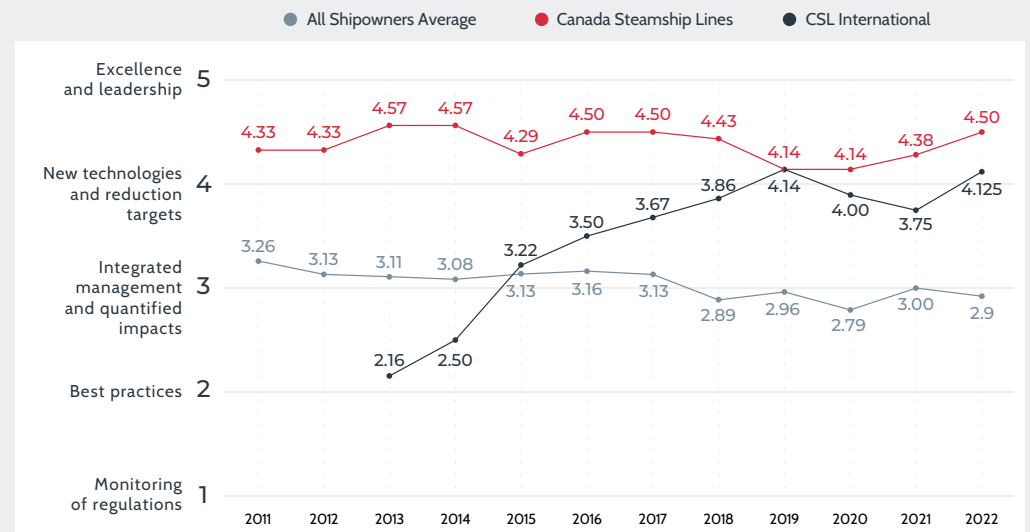
The Green Marine program scores performance indicators on a scale of one to five. Reaching Level 1 indicates a company is in regulatory compliance, while reaching Level 5 demonstrates the organization's leadership and excellence.



In 2022, Canada Steamship Lines reached Level 5 for the Oily Discharge indicator due to newbuild MV *Nukumi* meeting requirements to eliminate the impact of oil-to-water interface and the implementation of an integrated bilge treatment system. CSL International reached Level 5 for the Oily Discharge indicator in acknowledgement of the implementation of processes to ensure that treated bilge water is not discharged in sensitive areas, and the inclusion of integrated bilge systems in future newbuild design work. CSL International also reached level 5 for Aquatic Invasive Species due to contingency measures adopted into ballast water management plans and installation of BWTS monitoring sensors.

PERFORMANCE INDICATORS	CANADA STEAMSHIP LINES	CSL INTERNATIONAL
Aquatic Invasive Species	5	5
Pollutant Air Emissions (So <sub>x</sub> and PM)	4	4
Pollutant Air Emissions (No <sub>x</sub> )	4	3
Pollutant Air Emissions (GHG)	5	4
Oily Discharge	5	5
Waste Management	5	5
Underwater Noise	4	4
Ship Recycling	4	3

## GREEN MARINE PERFORMANCE LEVELS AND HISTORICAL TREND







## ESG SCORECARD

We are committed to disclosing our environmental, social, and governance (ESG) metrics transparently. The following frameworks inform our voluntary reporting:

- The **Sustainability Accounting Standards Board** (SASB)'s Marine Transportation Standard (version 2018-10)
- The **Global Reporting Initiative** (GRI) Standards
- The **Green Marine** environmental certification program

We disclose metrics that are relevant to the topics we identify through our materiality-setting process. As a privately owned company, we are not driven to disclose this data because of demands from or obligations to shareholders. Rather, we believe increased transparency about ESG metrics is key to sustainable business practices. We hope that through comparable and credible data and disclosures, we will enhance our stakeholders' trust, and elevate the ambitions and practices of the entire shipping industry.

In this year's ESG scorecard, we have included new disclosures for employee turnover and biogenic emissions.

Unless otherwise indicated, CSL's scorecard is based on the 2022 calendar year results from January 1 to December 31.

### 2022 ACTIVITY METRICS

Number of shipboard employees	1,889
Total distance travelled by vessels (nautical miles)	1,858,331
Operating days	13,459
Deadweight tonnage ('000s MT)	1,742
Number of vessels in total shipping fleet	48
Number of vessels in joint venture arrangements	42
Number of time charter voyages	69
Number of vessel port calls	3,165



# Environmental

METRICS	2018	2019	2020	2021	2022
Accidents and Oil Spills					
Total number of oil spills	6	7	7	9	4
Total oil spilled (litres)	3.45	17.22	229.50	36	23
Release of any other hazardous or noxious substance	-	1	1	1	0
Marine Pollution					
Treated bilge discharged to sea (m³)	13,020	7,232	6,495	5,959	5,694
Air Pollutants					
Emissions of oxides of sulphur (SO <sub>x</sub> ) in MT	2,895	2,123	525.30	316	352
Fuel Sulphur Average (%)	1.59%	1.17%	0.33%	0.20%	0.19%
Emissions of oxides of nitrogen (NO <sub>x</sub> ) in MT	12,802	13,350	12,216	12,292	14,582
NO <sub>x</sub> (kg/tonne-fuel)	70.30	64.10	76.40	78.30	79
Emissions of particulate matter (PM10) in MT	812	566	349	201	370
Greenhouse Gases					
Energy Efficiency					
Total (gCO <sub>2</sub> eq/tonne-nm)	19.13	17.42	17.40	16.95	17.48
Loaded voyages only (gCO <sub>2</sub> eq/tonne-nm)	10.25	9.86	9.61	10.12	10.06
Total absolute CO <sub>2</sub> emissions (tonnes) (Scope 1 GHG protocol)	620,960	570,731	494,368	520,162	599,590
Biogenic emissions (tonnes)	-	-	-	-	44,915
Average EEDI for new ships	-	-	-	3.7815	N/A
Total energy consumed					
Heavy fuel (GJ)	5,363,102	4,828,747	3,578,280	2,450,541	3,041,004
Distillate (GJ)	2,651,976	3,146,866	2,864,972	3,641,432	3,722,954
Renewable (GJ)	0	0	49,270	521,977	589,313
Heavy fuel as % of total fuel	-	-	55%	37%	41%
Renewable energy as a % of total fuel	-	-	1%	8%	8%

METRICS	2018	2019	2020	2021	2022
Waste and Hazardous Materials Management					
Landfill waste (m³)	2,537	2,405	2,085	2,278	2,240
Landfill waste as a percentage of total waste	59%	61%	60%	56%	64%
Recycling (m³)	928	1,099	949	900	1,003
Recycling as a percentage of total waste	22%	27%	28%	25%	29%
Incinerated (m³)	837	454	414	314	232
Organic (m³)	101.30	193.15	189	204	228
Organics as a percentage of total waste	4.02%	8.26%	9.82%	4%	6%
Sludge disposed ashore (m³)	3,415	3,366	3,681	2,659	3,095
Ecological Impacts					
Percentage of fleet implementing ballast water exchange	-	-	44%	21%	5%
Percentage of fleet implementing ballast water treatment	-	-	24.40%	38%	64%
Environmental Compliance					
Number of incidents of non-compliance associated with environmental impacts or non-compliance with environmental laws and regulation	4	3	3	5	1

# Social

METRICS	2018	2019	2020	2021	2022
Health and Safety					
Fatalities	1	0	0	0	0
Lost-Time Injuries (LTI)	13	13	8	14	4
Lost-Time Injury Frequency Rate (LTIFR)	1.70	1.60	1.10	1.70	0.50
Total Recordable Cases (TCR)	46	63	37	29	24
Total Recordable Case Frequency Rate (TRCF)	7	7.50	4.80	4.20	3.10
Number of Conditions of Class	-	-	48	82	48
Number of Port State Control deficiencies	-	-	99	79	75
Number of Port State Control detentions	-	-	2	1	1
Diversity and Inclusion					
Shore employees	-	-	249	249	244
Gender with the lowest representation ♀ (%) – shore	-	-	41%	41%	40%
Gender with the lowest representation ♀ (%) – ship	-	-	-	-	6%
Number of incidents of discrimination and corrective actions taken	-	-	-	0	0
Total number of employees by age group and gender with the lowest representation – Shore					
< 30	-	-	25	28	28
< 30 ♀ (%)	-	-	48%	46%	46%
30 - 50	-	-	153	160	156
30 - 50 ♀ (%)	-	-	44%	44%	42%
> 50	-	-	71	61	60
> 50 ♀ (%)	-	-	31%	31%	32%

METRICS	2018	2019	2020	2021	2022
Gender with the lowest representation by employee category ♀ (%)					
Senior management	-	-	25%	31%	21%
Management	-	-	34%	36%	34%
Professional and technical operations	-	-	39%	40%	43%
Support staff	-	-	85%	80%	100%
New Employees					
Total number of new hires – shore	-	-	28	35	30
Gender with the lowest representation ♀ (%)	-	-	32%	46%	47%
Total number of new employees by age group					
< 30	-	-	6	8	6
< 30 ♀ (%)	-	-	50%	50%	33%
30 - 50	-	-	17	23	20
30 - 50 ♀ (%)	-	-	35%	43%	50%
> 50	-	-	5	4	4
> 50 ♀ (%)	-	-	0%	50%	50%
Turnover					
Total number of departures – shore	-	-	-	-	43
Total turnover rate – shore	-	-	-	-	17%
Gender with the highest representation ♀ (%)	-	-	-	-	58%
Total number of departures by age group					
< 30	-	-	-	-	7
< 30 ♀ (%)	-	-	-	-	57%
30 - 50	-	-	-	-	24
30 - 50 ♀ (%)	-	-	-	-	58%
> 50	-	-	-	-	12
> 50 ♀ (%)	-	-	-	-	58%

## Governance

METRICS	2018	2019	2020	2021	2022
<b>Ethics and Anti-Corruption</b>					
Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	-	-	95	117	102
Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index (%)	-	-	3.50%	3.80%	3.20%
Total amount of monetary losses because of legal proceedings associated with bribery or corruption	-	-	0	0	0
<b>Right to Privacy</b>					
Total number of substantiated complaints received concerning breaches of privacy	-	-	0	0	0
Total number of identified leaks, thefts, or losses of data	-	-	0	0	0

## COMMENTS ON ESG PERFORMANCE DATA

### BOUNDARY SETTING

The data provided in our ESG Scorecard includes all assets owned by CSL and its subsidiaries and all employees of CSL and its subsidiaries, unless otherwise stipulated. It does not include any assets and employees of any of CSL's affiliates and joint ventures (i.e. companies of which CSL owns less than a majority of the voting shares) nor the assets or employees of vessels under charter.

### ACTIVITY METRICS

The activity metrics provide an important point of reference for the other ESG disclosures. The number of port calls and distance travelled excludes transshipment operations, and the total deadweight tonnage excludes the transshipment platform and barges.

The total number of port calls includes any stops for repairs or fueling. Prior to 2021, the total number of port calls only included loading and discharge ports.





# Environmental

## ACCIDENTS AND OIL SPILLS

This disclosure includes all oil-to-water incidents across the entire fleet. The four oil spills were all minor in nature and we reported them to the relevant authorities.

## MARINE POLLUTION

Treated bilge water is the water legally discharged after treatment through a vessel's oily water separator. In the Great Lakes, ships must comply with 5 parts per million (ppm) oil to water content in the bilge discharged. Internationally, the limit is 15 ppm.

## AIR POLLUTANTS

Sulphur Oxide emissions are calculated from the SO<sub>x</sub> percentage mandated and declared on the bunker delivery note. Nitrous Oxide emissions and particulate matter calculations and emission factors are based on those Green Marine provides for different engine speeds and fuel types.

Sulphur Oxide calculations do not include transshipment assets in Australia. Data collection and reporting will commence on these operations in 2023.

## GREENHOUSE GASES

We used the following standard conversion factors for fuel metric tonnes to gigajoules: heavy fuel oil 39,000KJ/KG, marine diesel oil 42,000KJ/KG, biodiesel 37,000 KJ/KG.

Total absolute CO<sub>2</sub> eq emissions from global transshipment assets have been included in 2022.

Energy efficiency metrics (gCO<sub>2</sub>eq/tonne-nm) do not include global transshipment assets.

Biogenic emissions reflect the CO<sub>2</sub> equivalent emissions from biodiesel at the ships stack using a conversion factor of 2.82. Life cycle benefits of biodiesel are detailed in the content of this report.

The newbuild average EEDI is not applicable in 2022. The newbuild vessel MV *Nukumi* was delivered in 2022 but was exempted from EEDI requirements due to Canada domestic trading regulations.

Total Energy Consumed for heavy fuel, renewable fuel and distillate during 2021 has been updated due to a calculation discrepancy.

## WASTE AND HAZARDOUS MANAGEMENT

This disclosure includes all waste generated on board the global fleet but excludes office-generated waste. Organic waste refers to all organic material generated on board, which is sent to composting facilities through our dedicated waste management supplier. We do not include Dry Cargo Residues (DCR) in the waste data. CSL will continue to look for better measures of DCR discharges.

## ECOLOGICAL IMPACTS

The ratio includes all vessels and ballast water treatment systems that were in operation for the majority of 2022. Transshipment vessels that operate within the same port are not required to install ballast water treatment systems. However, if a system has been installed, it has been calculated in the total.

## ENVIRONMENTAL COMPLIANCE

There was one breach in 2022 of US regulations under the Vessel General Permit (VGP) violation for discharge of treated bilge water in an incorrect location. Data for 2020 and 2021 has been updated to reflect the VGP violations for those years.

# Social

## HEALTH AND SAFETY

All safety data applies only to CSL employees. The data does not include any hours or injuries of contractors. The Lost-Time Injury Frequency Rate and Total Recordable Case Frequency Rate are per million person-hours worked.

## DIVERSITY AND INCLUSION

CSL's diversity and inclusion disclosure includes gender representation by age and employment type. For shore side employees, our data includes permanent employees in all regions as of December 31, 2022.

Shipboard gender representation metric covers Canadian flag vessels only.

## NEW EMPLOYEES

The new employee disclosure metrics include all new permanent employees hired during the 2022 calendar year, in every region. This disclosure includes shoreside employees only.

## TURNOVER

Turnover disclosure metrics and gender representation therein includes all departures during 2022 in every region. This disclosure includes shoreside employees only.

# Governance

## ETHICS AND ANTI-CORRUPTION

In 2022, 65 countries ranked in the bottom 20 on Transparency International's Corruption Index, because many countries received equal ranking. In the order of most- to least-visited, Mexico, Dominican Republic and Guatemala were the three countries CSL visited that ranked in the bottom 20 of the index.

## RIGHT TO PRIVACY

We received no complaints related to breaches of privacy in 2022, and neither did our Ethics Point hotline. Our cyber security monitoring and response systems detected no leaks, thefts, or loss of data during the reporting period.

