

2023 ESG REPORT



2023 Business Highlights

EMISSIONS

- ✓ Reduced Owned Fleet carbon intensity emissions by **33.6%** compared to 2008 baseline figures
- ✓ The newbuild project resulted in **10 Lakers** for Fednav that are **7%** more energy efficient than our most recent ships. This is an overall improvement of **33%** from the first generation built in 1999
- ✓ Sponsoring research and development of shore power for the dry bulk sector

WASTE

- ✓ Reduced plastic water bottle consumption by **89.3%** in 2023

BIODIVERSITY

- ✓ **Zero** spills
- ✓ **100%** of the fleet has ballast water treatment implemented
- ✓ Dedicated significantly more resources towards hull paint coatings

DIVERSITY & INCLUSION

- ✓ **50%** of Fednav's executive team is female
- ✓ Proud members of the **All Aboard Alliance**
- ✓ Initiated a cadet bursary scheme benefiting aspiring female seafarers

SAFETY

- ✓ **Zero** fatalities
- ✓ **Zero** injuries classified as very serious
- ✓ Part of **Rio Tinto's** Designated Owners and Operators Program (DOOS)
- ✓ **Four** vessels equipped with ShipIn AI Cameras

COMMUNITY

- ✓ The Fednav Community Employee Committee (FCEC) has contributed nearly **USD 4M** to various charitable causes
- ✓ Raised **CAD 162K** for Centraide in 2023 to combat poverty and social exclusion
- ✓ Strong support to the Montreal Salvation Army through their Angel Tree Campaign since **1999**
- ✓ **100%** of **Fednav Gym** membership fees go to local Montreal charities

HUMAN RIGHTS

- ✓ Implemented a third-party **whistleblower** system
- ✓ Deployed an awareness campaign on board our ships
- ✓ All office employees completed a **code of conduct** & prevention of harassment and violence in the workplace training

HEALTH & WELLNESS

- ✓ Installed Starlink technology onboard **96.8%** of fleet as of December 31, 2023

GOVERNANCE

- ✓ Strong risk management framework with oversight by the Board in place

CYBERSECURITY

- ✓ Robust mandatory cybersecurity training deployed to **all office employees**
- ✓ Enhanced cybersecurity measures implemented

About this Report

Fednav knows that it plays an essential role in influencing the adoption of sound Environmental, Social and Governance (ESG) practices to boost innovation and resilience in the Canadian dry bulk shipping industry. Fednav prides itself on being at the forefront of many ESG initiatives while acknowledging that some initiatives require significant effort by all, especially around decarbonization.

This report envisions sharing Fednav's progress since the last (and first) report in 2022 and laying the groundwork for its 2024 guiding light. The company's progress in considerably reducing emissions with their new shipbuildings is but one of the markers they can be proud of, and many other important and promising projects are also picking up speed.

The current report includes 62 vessels that were entirely under the operational control of Fednav's fleet management team between January 1 and December 31, 2023. The remaining 60 vessels they operated in 2023 have been chartered and, therefore, excluded from this reporting.

The information contained in this report comes from official documents relevant to Fednav's actual performance and operations. The emissions figures come from IMO DCS reporting, which is verified annually. Other vessel-related data is collected through our ship management partners, who track the information. It refers to the Sustainability Accounting Standards Board (SASB) Marine Transportation standards for guidance.



A Message from our CEO

Dear Stakeholders,

As we navigate the complexities of the shipping industry, I am honoured to address you on behalf of our company, where we uphold our commitment to advancing the triple bottom line: People, Planet, and Profit.

The global economy relies heavily on shipping, which serves as the lifeline for international trade. However, we are acutely aware of the environmental, social, and governance challenges inherent in this pivotal role. From the imperatives of the energy transition to the pressing concerns of labour shortages, safety, and ethical practices, our industry stands at a crossroads of responsibility and opportunity.

We are driven by a pledge to deliver excellence in international bulk shipping while championing sustainable practices. Our commitment to the highest standards of environmental stewardship, social responsibility, and corporate governance permeates every facet of our operations.

Fednav's ethos of adaptability to changing landscapes remains unwavering, yet we recognize that adherence to tradition is insufficient. We must continually innovate and elevate our practices to ensure a positive legacy for future generations.

Today, I am thrilled to unveil our 2023 Environmental, Social, and Governance (ESG) report, a testament to our dedication to our

values of integrity, respect, and sustainability, and our alignment with the United Nations' Sustainable Development Goals (SDGs).

We acknowledge that this journey is one of perpetual evolution, characterized by learning, innovation, and collaboration. We have set ambitious ESG goals, and remain steadfast in our commitment to transparency, diligently tracking our progress and sharing our performance openly.

I sincerely thank our employees, customers, suppliers, and stakeholders for their invaluable support and collaboration on this ESG journey. Your resilience, dedication, and commitment propel us forward, shaping a future where sustainability and prosperity intertwine.

ESG is a shared responsibility that transcends organizational boundaries. Together, we are architects of a more sustainable and prosperous future for all.

Sincerely,

Paul Pathy
President and CEO

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Company Overview



Company Overview

With a legacy spanning nearly 80 years, Fednav has evolved into Canada's premier oceangoing bulk shipping company, adeptly navigating complex international routes. Renowned for its expertise in traversing the Canadian Arctic, the Great Lakes, and the St. Lawrence Seaway, Fednav has charted routes through uncharted waters, consistently prioritizing client satisfaction. Boasting a growing fleet of 122 ships, including 62 owned ships, it delivers a seamless shipping experience for its customers. Anchored in a steadfast commitment to its people and a dedication to unparalleled global service, Fednav stands as an industry leader.



122

OWNED AND OPERATED SHIPS



9

GLOBAL OFFICES



The evolving landscape of the shipping industry requires breaking down silos and facilitating closer communication, enhancing our ability to anticipate market trends, manage risks, optimize operational efficiency, and deliver tailored solutions to meet our clients' evolving needs.

Isabelle Brassard
Executive Vice President and Chief Operating Officer



Company Overview

Mission & Values

At the core of Fednav's mission is a pledge to deliver the utmost in service, professionalism, and reliability within the international ocean shipping sector, with unwavering consistency and integrity. To accomplish this, Fednav approaches every aspect of the business with these four fundamental values in mind:

- 1. Honesty and integrity**
Doing what's right
- 2. Commitment to professional excellence**
Being the best we can be
- 3. Regard for employees**
Standing by our people
- 4. Corporate Social Responsibility**
Respecting community and environment

Fednav is firm on its promise to uphold superior quality and operational excellence standards in international bulk shipping. This commitment extends to developing a healthy, sustainable business model underpinned by adherence to the highest ESG standards across its activities.



SPILLS*

*As defined by SASB.



1,322

NUMBER OF SEAFARERS



+30M

TONNES OF CARGO CARRIED



Company Overview

ESG Pillars

This ESG Report underscores Fednav's dedication to transparency and accountability, fostering trust with employees, partners, customers, and the many communities Fednav serves worldwide. Aligned with the Sustainability Accounting Standards Board (SASB) reporting standards and in support of the United Nations Sustainable Development Goals (SDGs), it serves as a testament to Fednav's ongoing commitment to sustainability.

Through these pillars, Fednav remains resolute in its commitment to sustainable growth and responsible business practices, ensuring a brighter and prosperous future for the company and all stakeholders.



Environment and Climate Change (E)

Fednav remains devoted to responsible environmental stewardship and actively works to reduce its footprint and emissions. Decarbonization efforts and the integration of transparency and sustainability in all business decisions are paramount.



People and Social Responsibility (S)

People and strong partnerships are central to Fednav's ethos. The company ensures a safe and secure environment for its employees, partners, and all involved in the interconnected business, championing ethical operations, and building strong and respectful relationships. The principles of diversity, equity, and inclusion are ingrained in Fednav's practices and policies.



Corporate Governance (G)

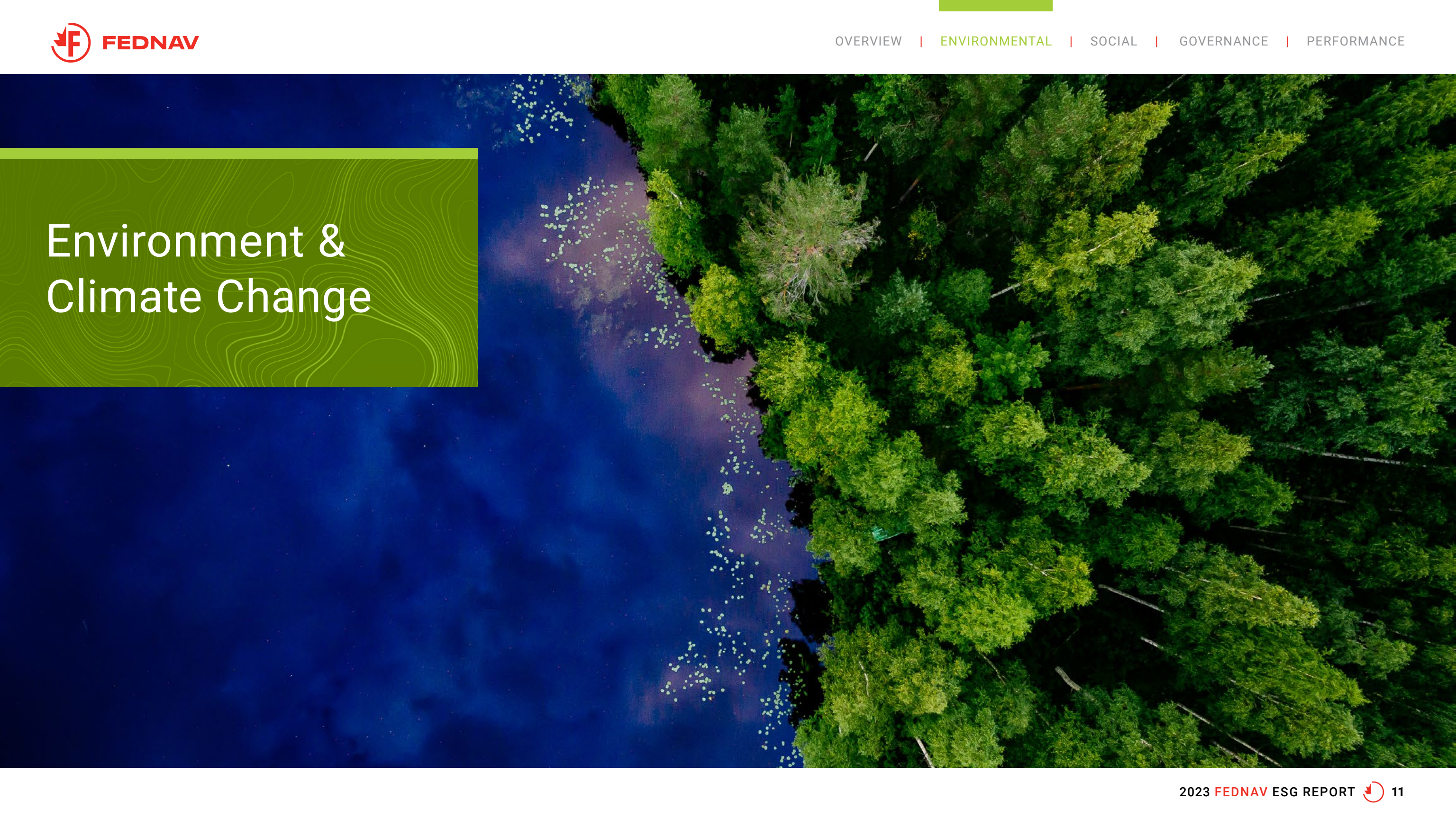
Fednav maintains the highest corporate governance and risk management standards, embedding its ESG framework into all activities, ensuring compliance and fortifying the company's resilience.

Company Overview

UN Sustainable Development Goals (SDGs)

While the SDGs were designed for nations, they also serve as a blueprint for responsible corporate citizenship. In our day-to-day operations, we focus on the following 13 SDGs that are most relevant to our business and where we can take action, promote improvement, and bring about change:

<p>3 GOOD HEALTH AND WELL-BEING</p> 	<p>4 QUALITY EDUCATION</p> 	<p>5 GENDER EQUALITY</p> 	<p>6 CLEAN WATER AND SANITATION</p> 	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>10 REDUCED INEQUALITIES</p> 	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>13 CLIMATE ACTION</p> 	<p>14 LIFE BELOW WATER</p> 
<p>15 LIFE ON LAND</p> 	<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> 	<p>17 PARTNERSHIPS FOR THE GOALS</p> 	<p>SUSTAINABLE DEVELOPMENT GOALS</p>	



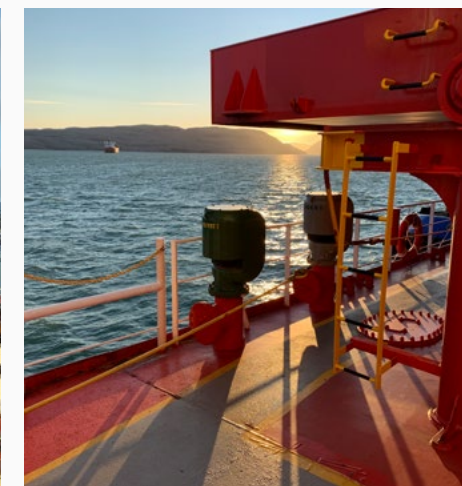
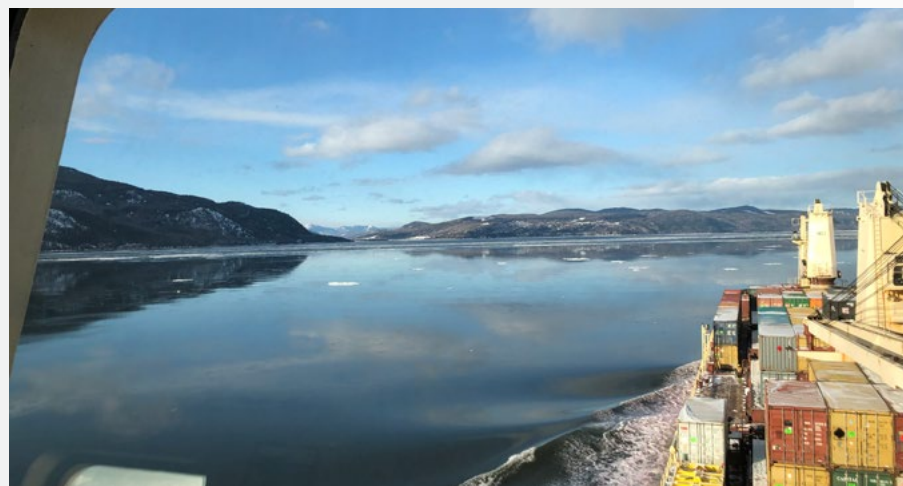
Environment & Climate Change

Environment & Climate Change

The observable changes in the planet's climate are driving the shipping industry to reflect on its environmental impact and start addressing the serious need to act. Mitigating the effects of global shipping on the environment is going to be one of the most critical challenges the industry will face over the next few decades. With Fednav's focus on the Great Lakes and Canadian Arctic, which are some of the world's most sensitive ecosystems, the obligation to decarbonize and reduce its environmental footprint is being forced to the forefront of the company's priorities.

One of Fednav's three major business pillars is focusing on the planet. The company has been working on organization-wide initiatives that are dedicated to building a solid foundation to accelerate its decarbonization journey in line with IMO's ambitions.

Fednav has been building awareness of its shipping operations to enhance voyage optimization to reduce fuel consumption and overall voyage emissions. The added attention has advanced the conversation regarding increased hull condition monitoring, proactive hull cleaning, and paint coating selection suited to the trade of Fednav's fleet. It has implemented a suite of digital solutions for collecting and analyzing onboard data to assist the organization in always making the best decisions.



9,703,248

TOTAL ENERGY CONSUMED (GIGAJOULES)



100%

FLEET EQUIPPED WITH BALLAST WATER TREATMENT SYSTEMS

Environment & Climate Change

Complementing the operational initiatives to reduce emissions, Fednav has undertaken a fleet renewal program for delivering new, efficient vessels and offloading older ships. This program has allowed Fednav to continuously explore enhanced energy-saving designs and technologies to improve upon its previous vessel designs.

Fednav works to stay connected to the latest technology developments in the industry to be a fast follower or a leader when possible in improving its environmental footprint. It prides itself in partnering with some of the best in the business to collaborate towards a greener industry. The company is greatly involved in research projects and will continue this trend.

In the coming years, Fednav wants to hone its expertise and push the organization to make more educated and balanced decisions regarding the environment as one of its key pillars.

Environmental Goals



Objective

TAKE A LEADING ROLE IN SUSTAINABLE SHIPPING IN CANADIAN WATERS



Goals

- Reduce greenhouse gas emissions in line with IMO ambitions
- Increase the amount of renewable fuels used on Fednav vessels
- Commit R&D investments toward greener shipping



Strategies

- Increase focus on energy-efficient ship operations
- Identify and assess opportunities to improve energy efficiency onboard its fleet
- Fleet renewal program
- Invest in digital solutions onboard its fleet
- Continue to support research initiatives for greener shipping
- Work with customers to increase renewable fuel consumption



Measures

- Based on Fednav's 2008 Owned Fleet emissions data
 - Total CO₂ reduction of 20% by 2030 compared to 2008.
 - Carbon intensity reduction of 40% by 2030 compared to 2008 – maintain YoY trajectory
- Commit R&D investments toward green shipping initiatives



FEBRUARY 2023

2,338

DECEMBER 2023

250

REDUCTION OF PLASTIC WATER BOTTLES USED



709,577

VS

806,177

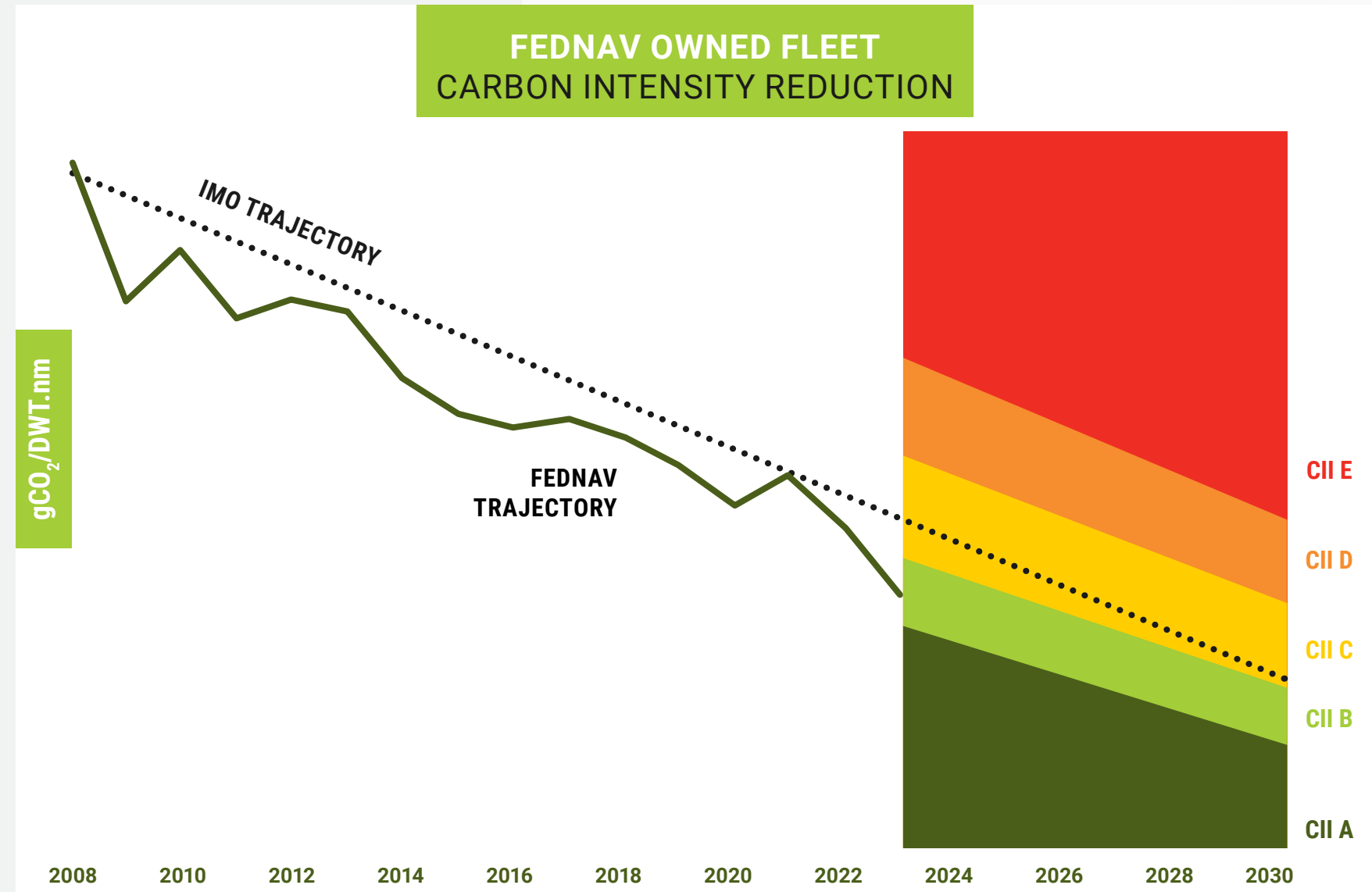
REDUCED EMISSIONS IN METRIC TONS SINCE 2020

Environment & Climate Change > Decarbonization

Decarbonizing Operations and Reducing Emissions

Fednav is fully aligned with the revised IMO GHG Strategy adopted by the Marine Environment Protection Committee (MEPC 80), which targets to reach net-zero GHG emissions for international shipping by or around 2050. This includes a commitment to ensure the uptake of 5% alternative fuels by 2030 and checkpoint targets to reach net-zero GHG emissions with a 20% total reduction by 2030 and a 70% total reduction by 2040. The Strategy is further enhanced with measures to reduce carbon intensity (CO₂ emissions per transport work) by 40% in 2030.

With the introduction of the Carbon Intensity Indicator (CII) in the shipping industry, significantly more attention has been paid to reducing emissions to meet the regulatorily mandated targets. The CII measures the amount of CO₂ emitted against the deadweight and distance sailed by a vessel. As Fednav continues to learn how commercial decisions impact the environmental footprint of the shipping business, it aims to maintain its reduction of carbon intensity trajectory from 2008 to 2030 and beyond.



Environment & Climate Change > Decarbonization

Over the last year, Fednav has continued to closely monitor its carbon intensity and identifying where it can continue to improve. In addition to the fleet renewal program, it has concentrated on operational and technical measures to support more efficient shipping. The company has refined digital tools and models to plan and optimize voyages. These tools are also leveraged to identify ship performance metrics for detecting underperforming vessels. The added intelligence these tools provide to both the ship and shore staff supports better, more educated decisions that can balance the reduction of emissions and optimize our costs.

Fednav has continued to build on the efforts to decarbonize the fleet as behaviours towards greener decision-making evolve. In 2022, Fednav started to supply underwater inspection drones to the owned vessels. Today, almost all the owned vessels in the Fednav fleet and more than half the long-term time-chartered fleet have an underwater drone onboard. These drones have become a standard tool for Fednav's vessels. They can easily be dropped into the water to identify the condition of the hull and allow for quick decision-making on the need for hull cleaning to address the problem. Many efforts were made in 2023 to ensure that the condition of the underwater hull remains unfouled. This has resulted in significantly more cleaning operations in cases that were influenced by ship performance data containing imagery.

Fednav continues to build on its experiences and adapts its roadmap to the industry's rapidly evolving landscape.



Decarbonizing the shipping industry starts with education. Slight changes in decision-making can have significant impacts on the environment. It's about building a strong foundation so you can excel at the basics. These changes will allow our organization to capitalize on the upcoming opportunities presented by the decarbonization transition more easily."

Dana Wandschneider
Head of Fleet Performance

Environment & Climate Change > Decarbonization

Wind Assists and Air Lubrication

Fednav has continuously evaluated different energy-saving technologies that could accelerate its decarbonization strategy. Multiple solutions claiming to achieve small fuel savings are available on the market, but the industry lacks a properly established process for measuring these savings. Therefore, identifying which technologies work and provide meaningful benefits remains a challenge. Fednav is in the process of exploring technologies that may prove to be promising for its new ships in the future. This includes air lubrication systems designed to create a layer of bubbles under the hull, thereby reducing the friction of sailing through the water. The second technology is wind assist, whether in the form of hard sails, kites, Flettner rotors or other novel devices. This technology is starting to emerge in commercial shipping applications with compelling results. Wind assist technology reduces the energy demand on the main engine and, therefore, reduces energy consumption while maintaining the same speed. Fednav is proud to partner with Carisbrooke Shipping on their project with GT Green Technologies, partly funded by Innovate UK, which will install a prototype wind assist technology on one of Carisbrooke's vessels under charter to Fednav in early 2025. There will be more developments in these sectors, and Fednav will continue to assess these new technologies or partner with other companies to test them and see if the application adds value to its business and the shipping industry overall.



Paint

Fednav engaged a third-party paint expert, Safinah, at the end of 2022 to assist in selecting, applying, and monitoring the hull coatings of its fleet. The company's expertise has enhanced Fednav's knowledge of hull coatings to ensure that the right products are applied to protect the vessels between dry dockings based on their specific trade. Fednav has seen significant changes to its dry-docking paint selection, which will help reduce the possibility of hull fouling, improve the efficiency of the vessels, and reduce the risk of spreading organisms that may attach themselves to the hull.

Environment & Climate Change > Decarbonization

Data Accuracy

As part of Fednav's decarbonization journey, improving vessel data accuracy is becoming increasingly important. With new regulations such as the EU Emissions Trading System (ETS) that now add commercial pricing to emissions, the importance of reliable, trustworthy data is getting the industry's attention. With the introduction of Starlink and the increased connectivity of vessels, the possibility of incorporating sensors to capture high-frequency data and advanced analytics that use AI technology is starting to appear throughout the industry.

Fednav is working on a roadmap with its partners to determine the best way to navigate these emerging technological solutions. Until the company establishes a way forward and implements a cohesive digital ship/shore ecosystem, the onboard crew's reliance on manually reporting accurate data will continue to be an important initiative. This area of the business will hold some of the most significant opportunities in the coming years, and Fednav is working on taking advantage of the available technology.



Environment & Climate Change > Decarbonization



New Lakers

Fednav is in the middle of a new building program for its Lakes fleet. With two ships delivered in 2023 and another eight commissioned for delivery by the end of 2025, Fednav has made the strategic decision to continue its fleet renewal program to maintain a competitive pool size of efficient, Lakes-capable, handy-size vessels.

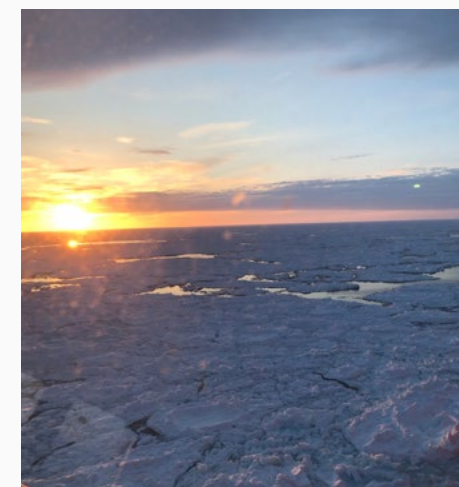
With increased computing power and larger scale modelling, the shipyard has improved the fuel consumption by an additional 7% against an already highly competitive baseline from Fednav's previous generation and 33% from its first-generation models. This improvement in efficiency is complemented by an increase of 130 mt Lakes draft deadweight, which also contributes to an overall reduction in carbon intensity – CO₂ per deadweight nautical mile (CO₂/dwt.nm).

The new ships are a crucial step forward in Fednav's decarbonization journey. They will help the company support the short- and medium-term environmental trajectories set out by IMO. By focusing on improving its current vessel design, Fednav can maintain flexibility and competitive pricing in the market while providing more energy-efficient options to its clients.

Environment & Climate Change > Decarbonization

Alternative Fuels

Fednav is staying abreast of the alternative fuels landscape concerning technology readiness, fuel availability, and shore infrastructure. Given the size of its vessels, hundreds of trade routes, and the fuel infrastructures and availability required to support these routes, it is currently not feasible or viable to use fuel like ammonia or methanol. However, in the last two years, it carried out trials to procure and burn biofuels onboard its vessels as proof of application. Over the last year, Fednav has offered biofuels to select clients that would like to reduce their Scope 3 emissions, wherever possible.



With a lack of clean energy supply for the global transition, it is essential that our vessels are designed to be as energy efficient as possible, thereby mitigating the scale of the transition challenge.

Dave Williams
Senior Manager,
Technical Services

Spotlight on MMMCZCS

Fednav has been a mission ambassador to the Mærsk-McKinney Møller Center for Zero Carbon Shipping since late 2022. This is a "not-for-profit, independent research and development center looking to accelerate the transition towards a net-zero future for the maritime industry." The Center pulls together more than 50 partners from different corners of the maritime ecosystem to collaborate on the transition in the industry. Fednav has actively participated in the annual summits and supported an ongoing working group evaluating the future Energy Efficiency Regulations.

Our Commitment to Research

In order to accelerate the decarbonization of the maritime industry and ensure that shipping is a sustainable part of the global economic landscape, research efforts need to be fast-tracked to build confidence for early adopters to effect change. Fednav has been expanding its outreach by participating in various research initiatives with stakeholders. Thanks to these initiatives, Fednav has a continuous influx of thoughts and inspirations that can be evaluated and tried.

Over the last year, Fednav has been working closely with a local university to study the rollout of shore power infrastructure. The company continues to engage with local governments to support research on ballast water treatment and analysis, provides input on biofouling management from an operator's perspective, and assists with underwater noise data collection. Further details are provided below.

In the field of technical research, Fednav participates in trials of new energy-saving technologies and initiatives

in collaboration with its technical ship managers. They are currently running a main engine lube oil trial that is testing new formulations needed to keep up with the advancements in main engine efficiencies. These trials often incorporate digital solutions that complement the technology, like the AI camera platform provided by Shipln.

Fednav continues to build its expertise in the Arctic by supporting projects with McGill University and the Nunatsiavut Research Centre to monitor the safe navigation of sea ice and evaluate changing ice conditions in the Arctic. Its Arctic fleet is often used as a test bed for providing academic entities with in-situ research opportunities to expand their knowledge in this area.

Fednav also aims to support research initiatives that steer innovation in the maritime sector where it makes sense.

Environment & Climate Change > Sustainable Shipping

Shore Power

Fednav has been sponsoring a Ph.D. candidate who started his master's program on the techno-economics of shore power for the maritime bulk sector industry. What began as a localized project for the St. Lawrence Seaway and Great Lakes has quickly expanded to the international level as their involvement now extends to the International Electrotechnical Commission (IEC), which is working towards developing a global bulk carrier shore power standard.

As a member of an IEC committee, the PhD student participates in the organization's annual meeting, and has convinced the committee to hold its next meeting in Montreal in May 2024. This will be an opportunity to continue discussions with a view to developing a standard for dockside connections for bulk carriers, which will support the industry's efforts towards decarbonization. As the conference's main sponsor, Fednav will play a pivotal role in soliciting the support of other industry members in Quebec.

It is estimated that Fednav could reduce fuel consumption by 8-10% if its ships connected to shore power in every port. Achieving these emission savings will involve significant alignment, coordination, and participation within the maritime industry. The uptake of shore power will also need government support to ensure that electrical grids and shore infrastructure can handle the extra demand of vessels in port.

Fednav will continue to support its Ph.D. candidate as he pursues his excellent work towards standardization and global alignment. The company believes this technology could provide short-, mid- and long-term solutions to reduce its fleet's overall fuel consumption and emission profile, and it will make investments in its fleet whenever possible.



Shore power is the next step toward maritime decarbonization. The technology is there, and the emission reductions could be quickly accessible. However, there are issues about standardization, stakeholders' alignment, funding, and energy supply.

Hugo Daniel
PhD candidate

Biodiversity

Ballast Water Treatment

While Fednav's first IMO and USCG-type approved ballast water treatment system was installed in 2015, the final ship in the fleet was retrofitted with a system in 2023. With more than eight years of in-service experience on the conventional fleet and using three different types of ballast water treatment systems, Fednav has gained expertise regarding each system's challenges and appropriate water conditions. Fednav continues to facilitate research into the operation of BWTS in Ports with Challenging Water Quality, which its local government initiated to ensure that the systems operate as designed. As Fednav continues to trade in sensitive areas, the protection of these ecosystems continues to be a critical priority.

Slow Down Zones

Fednav vessels calling port in the Great Lakes reduce speed in specific marine areas, helping to preserve their habitats and migratory patterns. Transport Canada coordinates with vessels' Masters to ensure compliance by monitoring speed through their Automatic Identification System. Fednav's participation in speed reduction programs helps prevent shore erosion caused by draw-off and wave disturbance. Slowing down vessels in specific marine areas reduces the intensity of waves and minimizes erosion along coastal shorelines.

Additionally, Fednav participates in voluntary programs that study Underwater Radiated Noise (URN) and its impact on sea creatures. Fednav vessels have been deviating to the Marine Acoustic Research Station (MARS), located in the Saint-Lawrence Seaway, which is responsible for recording underwater noise readings from passing vessels to further understand the impacts of vessels on marine mammals.

Waste Management

Through their ship managers, Fednav is associated with the International Marine Purchasing Association (IMPA) Council, a collaborative effort uniting global ship owners and maritime suppliers to establish and uphold the industry's highest standards of sustainable procurement. Through this initiative, Fednav maintains great focus and dedication regarding sustainable practices, thus contributing to the overall greening of the shipping industry.

As of February 2023, Fednav set out to significantly reduce plastic consumption onboard its vessels. From a peak consumption of 2,338 plastic bottles each month, the company successfully reduced this figure to a mere 250 a month by the end of the year.

To achieve this, Fednav proactively ensured that freshwater generators and purifiers were equipped on 100% of its fleet as of 2023. It also placed a blanket ban on purchasing plastic bottles for all stakeholders, underscoring its ongoing efforts to prioritize sustainability and operational efficiency.

A photograph showing a group of people, primarily women, hugging each other. They are wearing blue t-shirts. The scene is outdoors with natural light. A teal overlay with white wavy lines is on the left side of the image.

People & Social Responsibility

People & Social Responsibility

Safety is paramount at Fednav, whose aim is zero harm to its personnel, all stakeholders involved in our business and the environment. The company champions a nurturing work environment where the well-being of its employees takes precedence, fostering their safety, career growth, and skill enrichment.

With a diverse workforce comprising 1,322 dedicated crew members and 214 onshore professionals spanning the globe, Fednav places a premium on inclusivity and equality. Fednav encourages its employees to actively support local communities by volunteering their time and skills.

Fednav's commitment extends beyond compliance; it steadfastly upholds the highest safety standards, investing significantly in the development of its employees. The company cultivates a culture of care and respect throughout its organization, ensuring that each member feels valued and supported.



Employee engagement is fundamental to our dedication to the 3 P priorities: people, planet, and profit. By cultivating an environment where our team members are valued, empowered, and connected to our purpose, we not only enhance their well-being but also fuel creativity, sustainability, and, ultimately, financial prosperity. Engaged employees serve as the cornerstone of our efforts to construct a company that places importance on our people, a positive legacy for future generations, and the success of our company.

Lucie-Marie Gauthier
Vice President, Talent and Communications

People & Social Responsibility > Health & Safety

Health & Safety

Where attention goes, energy naturally flows, is a common saying at Fednav. This principle is deeply ingrained in the company's core values. Fednav's commitment to achieving zero harm and continuously striving for excellence in safety standards underscores its every action and decision.

In 2023, Fednav encountered a concerning rise in reported injuries, prompting immediate introspection and action. By meticulously examining its operational processes and incidents and swift response to these incidents, it successfully started to change the trend and took safety discussions to another level. We prioritize open dialogue and welcome all news, whether good or bad, as it empowers us to swiftly respond to any situation.



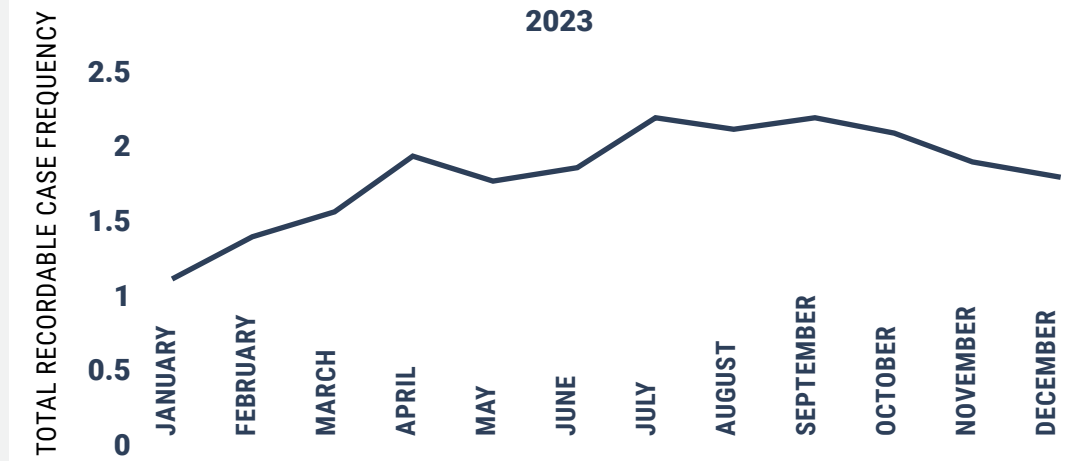
0.77

**LOSS TIME INJURY
FREQUENCY PER
MILLION EXPOSURE
HOURS**

Fednav's initiatives to bolster crew safety have been multifaceted. Collaborating closely with its ship management partners, the company has not only updated safety protocols and equipment but also spearheaded targeted campaigns addressing specific hazards such as finger injuries and slips/trips/falls. These campaigns were integral to broader efforts, permeating every interaction with ship staff to reinforce the importance of personal safety.

Furthermore, Fednav has instituted a rigorous root cause analysis process for every incident, enabling it to identify underlying factors and implement robust preventive measures. By instilling a culture of continuous improvement and accountability, it has proactively mitigated risks and safeguarded the well-being of its personnel.

FEDNAV OWNED FLEET 12-MONTH ROLLING TRCF (PER 1,000,000 EXPOSURE HOURS)



It is my obligation to make sure that, unless it can be done safely, it won't be done. This ties into Fednav's core value of caring and standing by its people and being mindful of the environments we work in.

Martin Krafft
Vice President, Fleet Management

People & Social Responsibility > Health & Safety

Through active engagement with industry peers and participation in collaborative forums, Fednav remains at the forefront of adopting practices to safeguard its seafarers. It leverages insights gleaned from the industry's best practices to enhance safety measures across its fleet by fostering a culture of open dialogue and shared learning.

With 1,322 seafarers entrusted to its care at any given time, Fednav recognizes the importance of amplifying seafarers' voices. Every suggestion is not just welcomed but actively encouraged, as Fednav acknowledges the invaluable role its seafarers play in the company's success.

Embracing its responsibility to champion seafarers' rights and well-being, Fednav aligns itself with initiatives such as the Neptune Declaration. By endorsing the declaration's call to recognize seafarers as essential workers and championing high standards of health and safety protocols, Fednav reaffirms its commitment to safeguarding those who navigate the seas on its behalf.

Looking ahead to 2024, Fednav is embarking on an essential collaboration with Anglo-Eastern to take seafarer safety to the next level. Together, they're looking at technologies, including smartwatches, to monitor the vital signs of the crew, combining them with geofencing technology for heightened safety. These smartwatches would be able to integrate into the ship's systems and redefine the onboard safety standard.

Health & Safety Goals

Objective
TARGET ZERO HARM



Reduce recordable injuries by 25%

Risk Management training

Well-being and mental health support embedded in employee value proposition

Use of technologies to target zero harm

Zero fatality or serious incident

Reduction in recordable injury rate year-on-year



“““

From the first day I joined Fednav, I was told our true North is people, and that hasn't changed. It's all about preventing the next injury. From crew members to department managers, everyone agrees that one injury is one too many.

Mandeep Singh Makkar
Senior Manager,
Fleet Management



1,758

PORT CALLS



3M+ nm

DISTANCE SAILED

People & Social Responsibility > Health & Safety



Connectivity at sea has improved drastically since the implementation of Starlink, marking a profound leap forward in the seafarer's ability to stay connected while traversing the waters. This transformative technology has assisted in faster internet speeds and fundamentally changed how crew members interact with their loved ones. Now, seafarers can effortlessly bridge the gap of distance, fostering meaningful connections with their friends and families anytime, anywhere.

Starlink is also supporting the safety and well-being of seafarers. Despite rigorous training in first aid, the reality remains that onboard medical facilities are often limited, leaving crew members vulnerable in the event of injury or illness. Now, through direct access to telehealth platforms facilitated by Starlink, Fednav's seafarers have 24/7 connectivity to a diverse panel of medical professionals proficient in multiple languages. This ensures that crew members receive prompt and comprehensive medical assistance whenever needed, regardless of linguistic barriers or geographical remoteness.

By prioritizing its workforce's physical and psychological health, Fednav enhances operational efficiency and cultivates a culture of care and compassion at sea.

Designated Owners and Operators Initiative

Fednav has partnered with our long-standing mining customer Rio Tinto as a designated ship operator in the groundbreaking Designated Owners and Operators Program (DOOS). This program serves as a rallying point for key players in the maritime industry—owners, operators and technical managers—who share a common vision: to create a maritime environment devoid of fatalities and injuries, where the seafarer's welfare takes precedence.

Their initiative is entirely in line with Fednav's mission and values, putting people and their well-being first. Recognizing their role as ship owners and charterers, Fednav ensures that the living and safety standards onboard its fleet meet and exceed the rigorous requirements set forth by Rio Tinto for this transformative program.

ShipIn Cameras

With ShipIn cameras strategically installed on the bridge and in the engine room of four of its vessels, Fednav can already see their transformative impact on operations. These cameras are empowering Fednav's crew to detect security hazards, spot operational anomalies, and address any machinery concerns swiftly and effectively.

People & Social Responsibility

Diversity, Equity & Inclusion

Diverse teams are propelling innovation and problem-solving to new heights. Fednav's executive team's standing at gender parity (50%-50%) sets the standard for progress. The gender ratio (60% male and 40% female) among its 214 onshore employees reflects not only Fednav's commitment but also its conviction in the power of diversity and offering equal opportunity to its employees.

Diversity, Equity & Inclusion Goals



Objective

FOSTER AN INCLUSIVE WORKPLACE



Goals

- ☞ Increase the representation of underrepresented groups across the organization



Strategies

- ☞ Measure diversity progress across the functions and hierarchical levels
- ☞ Ensure a diversity and inclusion lens in the shipping trainee program
- ☞ Create an employee-driven social committee



Measures

- ☞ Increased female representation in managerial positions
- ☞ Increased representation of underrepresented groups



60% | 40%

GENDER RATIO (ALL)

3/6 > 50%

GENDER RATIO (EXECUTIVE TEAM)



People & Social Responsibility > Diversity, Equity & Inclusion



Diversity, Equity & Inclusion Goals



Objective

IMPROVE DIVERSITY IN THE FLEET



5x

MORE FEMALE CADETS ONBOARD BY JANUARY 2025 COMPARED TO 2022



Goals

- ☞ Increase female representation onboard the Fednav fleet



Strategies

- ☞ Provide appropriate and attractive working conditions for female cadets onboard the fleet
- ☞ Ensure there is an inclusive working environment onboard the ships
- ☞ Promote diversity in the fleet



Measures

- ☞ 9% female cadet representation by Jan 2024
- ☞ 15% female cadet representation by Jan 2025
- ☞ Starting in 2023, Fednav sponsors the education of 2 outstanding female cadets per year to kick-start their career at sea

People & Social Responsibility > Diversity, Equity & Inclusion

Empowering Women at Sea: Anglo-Eastern's Recruitment Strategy to Enhance Female Representation in the Maritime Industry

As Fednav's fleet management partner, Anglo-Eastern has implemented a robust recruitment strategy to increase female representation on board Fednav ships. Their joint ambition is to achieve a five-fold increase in the number of women onboard Fednav ships by the end of 2024.

The recruitment strategy focuses on several key elements, notably:

AWOS Program

The Anglo-Eastern Women of Seas (AWOS) program is a cornerstone of their recruitment strategy. This program specifically targets increasing the number of women in their talent pool by providing a conducive and respectful working environment. AWOS provides support and resources to female seafarers, including mentorship opportunities, training programs, and networking events.

Safe Working Environment

Anglo-Eastern places a strong emphasis on creating a safe workplace for all seafarers. They have zero-tolerance policies in place for any form of harassment or discrimination. By ensuring a safe and respectful workplace, Anglo-Eastern aims to attract and retain talented female seafarers.

Commitment to Equity

The recruitment strategy reflects Anglo-Eastern's commitment to equity and fairness. They strive to provide equal opportunities for all seafarers, regardless of gender, and to create an inclusive workplace where everyone feels valued and respected.

Advancing Diversity, Equity, and Inclusion in the Maritime Industry

Established in 2022 by the Global Maritime Forum, the All Aboard Alliance champions diversity, equity, and inclusion (DEI) in the maritime sector. The Alliance addresses labour shortages and industry challenges through advocacy and awareness initiatives.

As a member, Fednav has adopted the Alliance's principles, with CEO Paul Pathy spearheading DEI efforts. Fednav benefits from the Alliance's structure, annual reporting requirements, and global collaboration opportunities. Engaging in industry-wide initiatives, Fednav contributes to shaping a more diverse, equitable, and inclusive maritime landscape.

Joining forces with the All Aboard Alliance is more than just a formality. It's a declaration of our dedication to driving meaningful change, not just within our walls but throughout the maritime industry at large.

Unconscious Bias Training

In alignment with Fednav's DEI objectives, the Talent Management and Communications teams have integrated DEI and engagement objectives into their personal goals for 2024. Additionally, plans are underway to further educate employees on unconscious biases and microaggressions, fostering a more inclusive workplace culture.

Moreover, Fednav's commitment to DEI is reflected in its audit of global compensation and insurance plans through a DEI lens, ensuring fairness and equity across the organization.

People & Social Responsibility

Employee Engagement

Employee engagement is vital in any organization, catalyzing innovation, employee wellness, productivity, and overall success. As Fednav transitions back to a more flexible workplace model, it is imperative to not only recognize the significance of nurturing engagement but also to foster knowledge sharing and prioritize employee well-being through various initiatives discussed below.

The year 2023 marked a period of consolidation characterized by the sale of FMT, Fednav's terminal division, and the implementation of a new leadership structure focusing on its core shipping business. Amidst these changes, initiatives like the Commercial Summit in Geneva facilitated global exchange and unity within the commercial team, fostering cohesion and inclusivity.

Furthermore, Fednav's new positioning has solidified collaboration between operations and commercial teams, further bridging teams and promoting cross-functional collaboration.

Fednav's voluntary employee turnover rate, which stood at 3.85% in 2023, is a testament to its dedication to fostering an inclusive, engaging, and safe workplace. This could not be taken for granted as the workforce is constantly evolving, and Fednav's ability to adapt to this changing environment will remain critical.

Engagement Goals



Objective

BE AN EMPLOYER OF CHOICE



Goals

- ☞ Be recognized as an employer of choice
- ☞ Achieve higher employee engagement score



Strategies

- ☞ Introduce programs that enhance employee experience
- ☞ Measure engagement and implement action plans
- ☞ Create an employee-driven social committee
- ☞ Strong succession planning



Measures

- ☞ Increased employee engagement score
- ☞ Decreased voluntary turnover rate



97%

CREW RETENTION RATE

FEDNAV

3.85%

CANADIAN AVERAGE

15.5%

VOLUNTARY TURNOVER RATE (OFFICES)

People & Social Responsibility > Employee Engagement

Engagement Goals



Objective

PROPOSE DIVERSE INTERNSHIP AND SCHOLARSHIP PROGRAMS AND ALIGN DONATIONS AND SPONSORSHIPS TO SUPPORT THE ESG PLAN



Shipping Trainee Program

Fednav champions the Shipping Trainee Program, a cornerstone initiative offered in collaboration with the Danish Shipping Academy. Designed as a transformative two-year journey, this program represents Fednav's commitment to developing a pipeline of young, dynamic talent equipped with comprehensive expertise in all facets of maritime shipping.

At the heart of the Shipping Trainee Program lies a people-centric culture, wherein trainees are integral members of the Fednav family. Recognizing the pivotal role mentorship plays in professional development, trainees are afforded opportunities to engage with seasoned industry veterans, drawing from their wealth of experience and insights to develop their skills and deepen their understanding of maritime operations.

The hands-on experiential learning component is central to the program, wherein trainees can embark on immersive voyages aboard Fednav vessels. These firsthand experiences provide insights into maritime logistics and instill a profound sense of connection and pride in the maritime profession.

Moreover, the Shipping Trainee Program serves as a vital gateway for aspiring maritime professionals, offering a pathway to a career within the industry. They have the benefit of meeting with maritime professionals around the globe, allowing them to build a solid global network for the rest of their careers.



The way I was welcomed, the recruitment process, and the level of care Fednav offers are pretty incredible. The program is a fantastic opportunity; you learn so many things in various departments. In the span of two years, I've had the opportunity to broaden my horizons, like going to another one of our offices, for instance. I encourage everyone to join the program at Fednav because it truly is a unique company.

Clémentine Haghighi
Shipping Trainee

People & Social Responsibility > Employee Engagement



Wavemakers Committee

In 2023, Fednav demonstrated its commitment to fostering an inclusive workplace culture by establishing the Wavemakers Committee. This initiative brought together a diverse group of employees from its global offices, united by a shared passion for collaboration and community building. By leveraging its workforce's collective talents and perspectives, the company sought to cultivate a sense of belonging and camaraderie among employees, irrespective of geographical boundaries or hierarchical positions.

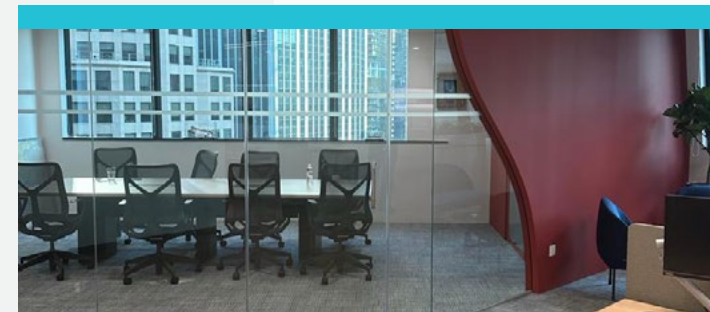
With a focus on engagement and diversity, equity, and inclusion (DEI), the Wavemakers Committee embarked on a mission to organize activities that empowered employees to connect and form meaningful bonds with their colleagues.



Head Office Gym

In 2023, Fednav proudly unveiled its corporate gym tailored to meet the diverse needs of its employees. This forward-thinking initiative underscores Fednav's commitment to fostering employee well-being and cultivating a culture of health within the organization. As part of its corporate social responsibility efforts, Fednav implemented a unique approach whereby employees contribute a nominal fee, with all proceeds going to local charities.

This collaborative endeavour promotes healthier lifestyles among employees and enables Fednav to make a meaningful difference in the community.



Office Renovations

In 2023, Fednav revitalized its Singapore and Antwerp offices to mirror the newly renovated Montreal headquarters, promoting unity and cohesion throughout its global network. The Montreal office redesign received an architectural design award for its innovative and collaborative workspace. Drawing inspiration from its maritime heritage, the interior design pays homage to Fednav's worldwide shipping endeavours, fostering a dynamic environment that encourages interaction and teamwork among colleagues.



I've really enjoyed being part of the Wavemakers Committee, collaborating with colleagues across the globe whom I don't normally interact with, allowing for new bonds to form. It also sparks different views and ideas and provides opportunities for new ways of doing things. Ideas for 2024 include some fundraising activities and more friendly competition among the different offices and departments.

Katherine Jones
Advisor, Internal Communications and Events

People & Social Responsibility > [Community Engagement](#)

Community Engagement

The company recognizes the importance of being actively involved in the communities where it operates and encourages its employees to share in this commitment.

Whether it's through volunteering their time, lending their expertise, or participating in fundraising activities, Fednav empowers its team members to make a difference in causes that resonate with them personally. By fostering a culture of social responsibility, Fednav not only improves the lives of those in need but also strengthens the bonds within its company and the communities it serves.



Fednav Community Employee Committee

With financial support from Fednav, the dedicated employee-driven Fednav Community Employee Committee (FCEC) endeavours to offer charitable aid to individuals or organizations in need. Primarily focusing on areas where Fednav has offices and where employees serve as volunteers, advisors, or board members, the committee strives to make a meaningful impact. Since its inception in 2008, the FCEC has contributed nearly \$4 million to various charitable causes.



People & Social Responsibility > Partnerships

Partnerships

Fednav takes pride in cultivating solid partnerships that resonate with its core values. These alliances are founded on trust and a commitment to ethical conduct. The company is proud to be engaged in the following initiatives that focus on promoting collaboration among stakeholders in the industry, including governments, the private sector, civil society, and academia, to drive sustainable development in the maritime industry:



Our partners recognize that delivering the highest level of service is our priority. That's why they choose to work with us because they know that our values are reflected in every detail, from our people to our operations.

Nicole Trépanier
Director, External Relations

All Aboard Alliance

Focused on promoting diversity, equity, and inclusiveness in the maritime industry.

Baltic and International Maritime Council (BIMCO)

As the world's largest international shipping association, it provides expert knowledge and practical advice to safeguard and add value to its members' businesses. CEO Paul Pathy is a President Designate of BIMCO.

Getting to Zero Coalition

Developing and promoting zero-emission technologies and practices in the shipping sector to achieve zero-emission shipping by mid-century.

Global Maritime Forum

Driving transformative action and fostering collaboration in the maritime industry (launched Getting to Zero Coalition, Neptune Declaration, and All Aboard Alliance), focusing on sustainability.

Green Marine

A voluntary environmental certification program that helps its participants to improve their environmental performance. Fednav is a Founding Member. COO Isabelle Brassard is a Board Member.

Maersk Moeller McKinney Center for Zero Carbon Shipping

Focused on reducing the shipping industry's carbon footprint through new technologies and methods to reduce GHG emissions. Fednav is a Mission Ambassador.

Maritime Anti-Corruption Network

MACN is a global business network working towards eradicating corruption in the maritime industry and enabling fair trade for the benefit of society at large. Martin Krafft, Vice President, Fleet Management, is on the Board of Directors.

Neptune Declaration

A commitment prioritizing seafarers' health, safety, and well-being for their critical role in maintaining global trade.

SODES

Unites stakeholders in Quebec's maritime ecosystem around the economic, environmental, and social opportunities offered by the St. Lawrence corridor. Nicole Trépanier, Director, External Relations, sits on the Board of Directors.

Corporate Governance



Governance

Because Fednav is dedicated to operating in the best interests of its clients, partners, and employees, it bases its decisions on doing the right thing at all times to ensure that we have a sustainable business in the long run. Transparency and good governance are the main focal points of its operations and policies.

Fednav's commitment to responsible business practices ensures that the company adheres to all relevant laws and regulations while upholding ethical and compliance standards. These integral practices are crucial to the business's success and are deeply rooted in day-to-day operations.

Members of Fednav's leadership team serve on worldwide governing bodies and work with international organizations to set regulations and best practices for the industry as a whole.

The objectives of emphasizing ethics and compliance involve fostering a culture where ethical considerations are integral to decision-making processes. This necessitates establishing clear codes of conduct, providing comprehensive training, and implementing robust monitoring and reporting mechanisms.

Ethics & Compliance Goals



Objective

UPHOLD THE HIGHEST ETHICAL INTEGRITY AND LEADERSHIP STANDARDS



Goals

- Proactively identify, address, and monitor all significant risks

- Zero facilitation payments



Strategies

- Enterprise risk management framework in place with oversight from the board

- Mandatory training on Code of Ethics, Prevention of Harassment in the workplace, and Cybersecurity

- Raising awareness amongst all stakeholders

- Developing and sharing best practices

- Creating a culture of integrity



Measures

- Risks are continuously monitored and mitigated to an acceptable level for the business

- Zero facilitation payments

4/5

AVERAGE RIGHT SHIP SCORE

0.78

PORT STATE CONTROL DEFICIENCIES PER INSPECTION RATIO

Governance > Policies and Procedures

Policies and Procedures

Fednav complies with all applicable regulatory requirements and tax regulations in the jurisdictions where it operates. Where possible, the company adopts best practices that go beyond what is legally required.

Fednav's policies and procedures ensure that the company conducts its business responsibly.



We recognize the importance of sustainability and client satisfaction in our business operations. As leaders in the dry bulk shipping industry, we understand the significant impact our actions can have on both society and the environment.

Frank K. Mortensen
Senior Vice President, Commercial

Code of Business Conduct and Ethics

Crafted upon the foundational values of integrity and honesty, Fednav's Code of Business Conduct and Ethics supports its commitment to upholding legal and ethical standards.

This comprehensive Code delineates Fednav's firm stance across various pivotal domains, including:

- ⌋ Adherence to Legal Frameworks
- ⌋ Prevention of Discrimination and Harassment
- ⌋ Vigilance against Conflicts of Interest
- ⌋ Accurate Recording and Transparent Reporting of Information
- ⌋ Vigilance against Bribery, Corruption, and Money Laundering
- ⌋ Guidelines on Gifts and Hospitality

By adhering to these principles, Fednav affirms its commitment to fostering a culture of trust, transparency, and accountability throughout its organization, ensuring that each member operates with the highest level of integrity and responsibility.



Policy for the Prevention and Resolution of Harassment and Violence in the Workplace

Fednav is committed to promoting a work environment that is free of harassment and violence. All employees have the right to be treated fairly, respectfully, and with dignity, and they are responsible for treating others in the same manner. Therefore, Fednav takes every reasonable measure to prevent and resolve instances of harassment and violence in the workplace.

The *Policy for the Prevention and Resolution of Harassment and Violence in the Workplace* applies to all Fednav employees and all third parties (i.e., suppliers, customers, clients, job applicants, etc.). It encompasses all situations of harassment, discrimination, and violence in the context of work-related activities.

Whistleblower Process

Fednav is dedicated to fostering a workplace free from unlawful discrimination, bullying, or harassment.

In 2023, the company took a significant step forward by introducing a third-party whistleblower process. This crucial addition was made to promote transparency, accountability, and a culture of integrity within the organization. Fednav recognizes the importance of providing employees with a secure and confidential channel to report any instances of misconduct, unethical behaviour, or legal violations without fear of retaliation.

During 2023, the whistleblower program was successfully used on a few occasions, allowing for prompt and thorough investigations to resolve the reported incidents.

By partnering with an external entity, Fednav ensures impartiality and bolsters trust in the reporting process. This initiative safeguards the well-being of its employees and plays a vital role in maintaining organizational integrity and reputation.

Governance > Policies and Procedures

Risk Management and Business Continuity

Amidst turbulent times and market fluctuations, we've gained a deeper insight into both foreseeable and unforeseeable risks. Climate change and cybersecurity are just some examples that pose unpredictable threats with significant implications for our industry and global communities.

Our enterprise risk management approach involves assessing risks, evaluating mitigation controls, and reporting findings to Fednav's Board of Directors. We regularly review and update our enterprise risk management framework to adapt to industry changes, taking decisive action to eliminate or minimize risks and safeguard our operations.

Our decisions prioritize long-term sustainability by considering various factors. We enhance our risk assessment by measuring global forces like market volatility, geopolitical dynamics, cyber threats, and technological advancements, enabling informed business decisions. Additionally, we strengthen our readiness for unforeseen events through continuity and recovery planning, ensuring our lasting success in navigating future challenges.

Fednav is actively updating its Business Continuity Plan (BCP) to remain current and prepared for any scenarios. Despite having a pre-existing BCP, recent dynamic shifts have prompted the company to enhance its plan by ensuring that it remains adaptive to a rapidly changing environment.



In the pursuit of success and longevity, business resilience and continuity stand as our guiding principles. As we navigate through the currents of our industry, we must withstand challenges and emerge stronger, fortified by the continuous evaluation of our systems. Our focus is to shield our operations from cyber threats, natural disasters, and any adversity that could significantly impact our business.

Katia Marquier
CFO

MACN

Established in 2011, the Maritime Anti-Corruption Network (MACN) and its members are dedicated to eradicating corruption within the maritime industry.

Fednav's involvement with this initiative directly reflects its commitment to upholding honesty and integrity in all aspects of its business practices. Martin Krafft, Vice President, Fleet Management of Fednav, serves on the MACN's Board of Directors, actively contributing to the organization's mission to safeguard its crew and seafarers while combating corruption in the industry. Looking ahead to 2024, Fednav reaffirms its commitment to fight all forms of corruption and injustice, ensuring its continued operation with adherence to ethical standards.



Being on the board of MACN enables me to be at the forefront of developing and continuously enhancing the right framework to rid the world of corruption, make sure that the topic gets the appropriate attention, and exert Fednav's value of Doing What's Right with consistency and integrity. Ultimately, it's about enabling our seafarers to focus on their job and to build a better maritime environment, free of demands for facilitation, for future generations.

Martin Krafft
Vice President, Fleet Management

Digital Transformation

In the dynamic realm of global trade, Fednav's digital evolution represents a pioneering shift towards innovation and operational efficiency. Central to this progression is the adoption of state-of-the-art tools, which fundamentally alter the management of logistics, monitoring of cargo, and interactions with clients.

Transitioning to modernized platforms has provided Fednav with increased visibility across its supply chain, facilitating real-time insights from procurement to delivery. Potential disruptions are pre-emptively addressed through sophisticated analytics, optimized routing, and refined processes for enhanced cost-effectiveness. This enables Fednav to swiftly adapt to market fluctuations and customer needs.

Fednav's journey lies in its dedication to employee training and development. The company recognizes that technological advancements are only as effective as the individuals wielding them. Data and information security are critical strategic assets, and all employees are responsible for protecting the information of

customers, the organization, and people. This demands care and awareness. Thus, Fednav continuously deploys comprehensive training initiatives, ensuring its workforce is proficient in leveraging digital tools. Such commitment fosters a culture of continuous learning and innovation, empowering the team to drive transformative change.

As Fednav charts a course toward the ship of the future, education remains paramount. Emerging technologies like artificial intelligence, blockchain, and the Internet of Things (IoT) promise to revolutionize maritime operations. The potential is vast, ranging from autonomous vessels navigating oceans with unprecedented precision to blockchain-enabled supply chain transparency.

Fednav's digital transformation confirms its commitment to leveraging technology for operational excellence and customer satisfaction. The company is not just adapting to change; it is helping shape the future of dry-bulk shipping.

Performance

Fednav is committed to publishing its environmental, social, and governance (ESG) performance in an open and transparent manner.

This ESG report focuses on our owned ship activities exclusively. It establishes a clean slate and a framework we will use for years to come as we begin to report our progress.

ENVIRONMENT	Units	2023	2022	2021	SASB Codes
DECARBONIZING & EMISSIONS					
CO ₂ Emissions	Metric tons (t) CO ₂ -e	709,577	736,692	779,736	TR-MT-110a.1
Total energy consumed	Gigajoules (GJ)	9,703,248	10,659,000 ¹	11,321,000 ¹	TR-MT-110a.3
Percentage of heavy fuel oil	Percentage (%)	52.9%	33.3%	45.16%	TR-MT-110a.3
Percentage of renewable fuels	Percentage (%)	0%	1%	0%	TR-MT-110a.3
Average energy efficiency design index for new ships (EEDIs) ²	Grams of CO ₂ per ton-nautical mile	5.04	5.1	5.03	TR-MT-110a.4
Air emissions: NOx (excluding N2O), SOx, and Particulate Matter (PM10)	Metric tons (t)	NOx: 15,286 SOx: 1,416 PM10: 1,477	NOx: 17,536 SOx: 1,384 PM10: 1,536	NOx: 16,098.9 SOx: 1,509.74 PM10: 1,759	TR-MT-120a.1
BIODIVERSITY					
Percentage of fleet implementing ballast water exchange	Percentage (%)	Arctic Fleet: 100% Intl. Fleet: 0%	Arctic Fleet: 0% Intl. Fleet: 10%	Arctic Fleet: 0% Intl. Fleet: 21%	TR-MT-160a.2
Percentage of fleet implementing ballast water treatment systems	Percentage (%)	Arctic Fleet: 100% Intl. Fleet: 100%	Arctic Fleet: 100% Intl. Fleet: 90%	Arctic Fleet: 100% Intl. Fleet: 79%	TR-MT-160a.2
Shipping duration in marine protected areas or areas of protected conservation status ³	Days	10,033	9,887	N/A	TR-MT-160a.1
Volume of spills and releases to the environment	Number, Cubic meters (m ³)	0	0	0	TR-MT-160a.3
Aggregate of spills and releases to the environment	Number, Cubic meters (m ³)	0	0	0	TR-MT-160a.3

Performance

SOCIAL	Units	2023	2022	2021	SASB Codes
HUMAN CAPITAL					
Total number of office employees ⁴	Number	214	206	210	–
Gender ratio (office employees) ⁴	Percentage (%)	Male: 60% Female: 40%	Male: 61% Female: 39%	Male: 59% Female: 41%	–
Gender ratio (all managerial position) ⁴	Percentage (%)	Male: 76% Female: 24%	Male: 64% Female: 36%	Male: 71% Female: 29%	–
Voluntary Turnover/Retention rate ⁴	Percentage (%)	3.85%	7%	10.92%	–
Total number of shipboard employees ⁵	Number	1,322	1,389	1,465	TR-MT-000a
SAFETY					
LTIs	Rate (per 1 million exposure hours)	0.77	0.53	0.67	TR-MT-320a.1
Number of marine casualties	Number	8	4	7	TR-MT-540a.1
Percentage of marine casualties classified as very serious	Percentage (%)	0%	0%	0%	TR-MT-540a.1
Number of Conditions of Class or Recommendations ⁶	Number	10	13	26	TR-MT-540a.2
Number of port state control (1) deficiencies and (2) detentions	Number	⁽¹⁾ 135 ⁽²⁾ 2 ⁷	⁽¹⁾ 134 ⁽²⁾ 1	⁽¹⁾ 178 ⁽²⁾ 0	TR-MT-540a.3

GOVERNANCE	Units	2023	2022	2021	SASB Codes
Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	7	5	4	TR-MT-510a.1
Total amount of monetary losses because of legal proceedings associated with bribery or corruption	Reporting Currency	0	0	0	TR-MT-510a.2

REFERENCES

- Figures for 2021 and 2022 are rounded to the nearest 1,000.
- Number generated on December 31st, 2023.
- Arctic vessels not included.
- Fednav office data generated on December 31st, 2023. 2022 and 2021 numbers adjusted compared to previous report.
- Shipboard employees are those employees who work aboard the entity's vessels (including direct and contract employees) during the reporting period. 57 out of 62 vessels provided data.
- Number of open conditions of class as of December 31st, 2023.
- 2 vessels detained in 2023, both issues resolved.



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