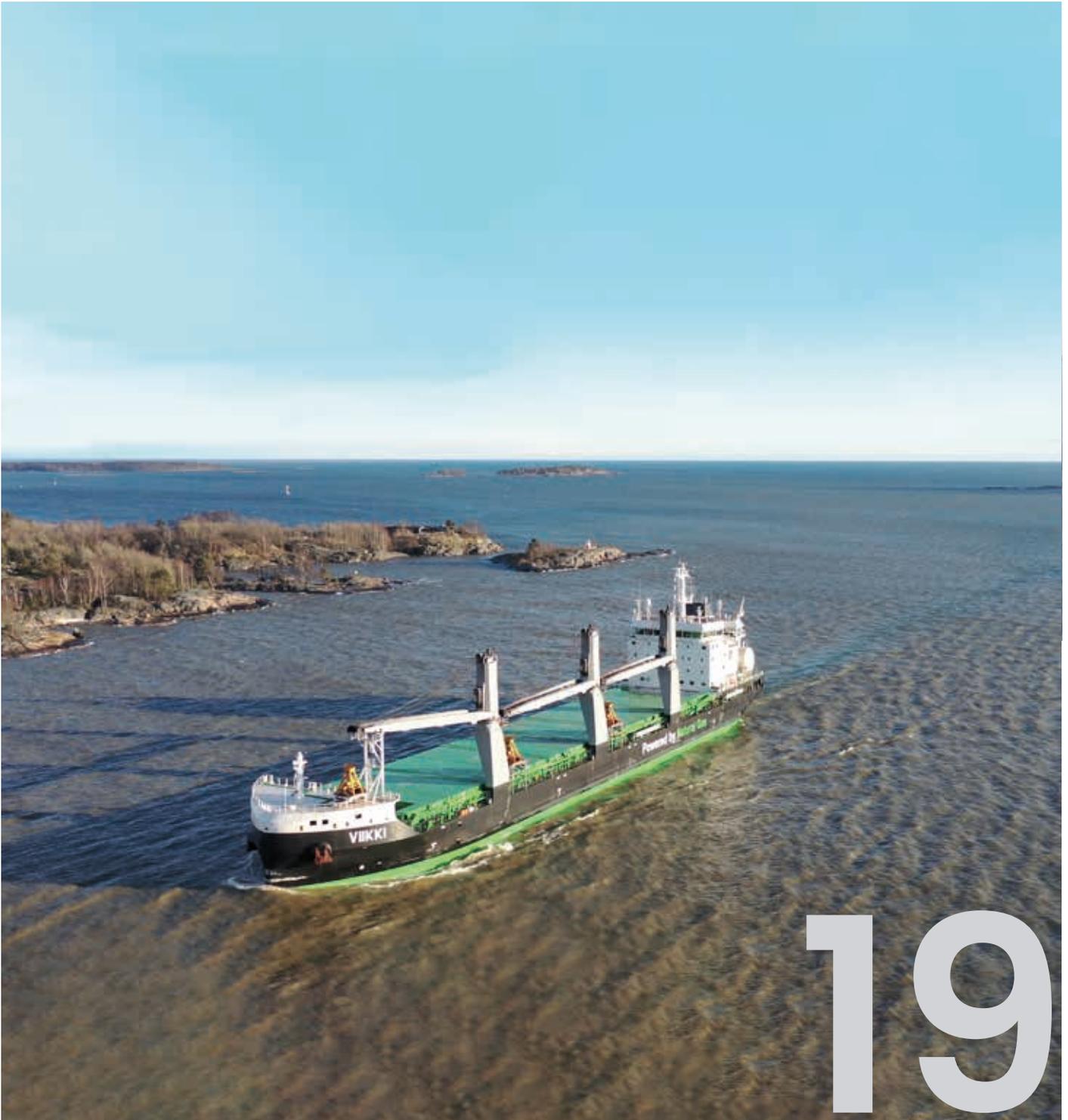




ESL Shipping

SUSTAINABILITY REPORT 2019



19

MANAGEMENT TEAM



Petter Ruda
Chief Financial Officer



Mikko Rausti
Director, Sea Personnel and
External Ship Management



Kirsi Ylärinne
Business Unit Director
ESL Shipping



Frida Rowland
Business Unit Director
AtoB@C Shipping



Mikki Koskinen
Managing Director



Janne Eklöf
Technical Director



Ari Hurula
Regional Director
AtoB@C Finland



Toni Rönningberg
Commercial Director
Since 2.3.2020



OUR VISION

To be the most sustainable marine logistics partner for selected industries in Northern Europe and Arctic areas.



SAFETY

Our main task is to provide all our employees a safe working environment and bring them safely back home.



RESPECT OF COLLEAGUES

Equal treatment of all employees is a cornerstone of our company culture.



RESPECT FOR THE ENVIRONMENT

We are working together with our clients in order to minimise the footprint caused by sea transport.



CUSTOMER FIRST

We provide our customer more diversified and flexible offering than ever before.

FACTS 2019

175.0 M€

Net Sales

14.6 M€

Operating Profit

337

Personnel

51

Vessels



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ESL Shipping Ltd is the parent company of the group and is referred as “group” in this report. Business unit ESL Shipping (“ESL Shipping”) comprises handysize fleet from 9,000 to 56,000 dwt. Business unit AtoB@C Shipping (“AtoB@C Shipping”) consists of 3,000–5,000 dwt vessels.

WE NEED THEM ALL

We will reach long-term emissions reduction targets but all alternative fuels are needed.

Effects of climate change are clearly visible around us. Instead of clear white snow we have darkness and rainfall. Wintertime average temperatures have been several degrees above normal, winds have been unusually strong and my mother in law's garden in the west coast of Finland is producing fresh sage in February. It should not be possible.

The good news is that shipping is by far the most environmental friendly transportation mode. Our company as well as the whole shipping industry is committed to reducing emissions. In 2019 we have proved the low emissions of our LNG-fuelled newbuildings, as we have performed a series of real life emission measurements onboard m/s Haaga (see page 16). Lately it has been argued that LNG would not be an environmental friendly fuel, because an even more damaging greenhouse gas, methane, would be released from the engines. Our measurements show that the modern technology we use is fit for purpose and the eventual methane slip is extremely small. It is not entirely negligible but we are happy to report much lower, sustainable levels, than what is argued in some environmental reports.

This brings me to the most important point. The IMO CO₂-emissions reduction target for the entire shipping industry, 50% by 2050, is possible only by using a wide range of alternative fuels. We simply do not have one optimal solution for the problem and all alternatives have their pros and cons. The raw material base for biodiesel is limited and there is not enough availability for shipping. Hydrogen and ammonia are today produced mainly from fossil fuels, supply logistics is largely missing and both are difficult to store onboard due low energy content in rela-

tion to the volume. Electricity and batteries are suitable for very short voyages, but are not the solution for deep sea trades. We will need several alternatives including biodiesel, LNG, biogas and eventually synthetic gas produced from hydrogen and CO₂ by using renewable electricity in the future.

In order to facilitate the essential research for low emission solutions for the industry, the International Chamber of Shipping together with all other major shipping industry related organisations has proposed to establish a fuel levy system enabling collection of billions of dollars to a research fund. We hope this initiative will prove successful. At the same time, we are concerned about development within the EU, where leading politicians are talking more and more about establishing a regional emissions trading scheme for shipping. We need a global solution, not a local one that would only speed-up so called carbon leakage, resulting from European industries losing their competitiveness and relocation of production to areas of less regulation and lower costs.

Our company's main environmental target for 2020 is to perform large scale trials using biodiesel and biogas in our ships. We are in discussions with various stakeholders regarding how these trials could be performed in the best possible way, delivering best environmental value and how the costs and benefits should be shared. We shall report further as we progress with our plans.

Sincerely,
Mikki Koskinen
Managing Director

ABOUT ESL SHIPPING & FLEET OVERVIEW

ESL Shipping is the leading shipping company transporting dry bulk cargoes in the Baltic Sea.

ESL Shipping Ltd is the leading carrier of dry bulk cargoes in the Baltic region. ESL Shipping's competitive edge is based on its ability to secure product and raw material transportation for industries and energy production all year around, even in difficult weather conditions. ESL Shipping Ltd has been in business for 70 years and is a subsidiary of Aspo Plc.

Our vessels mainly operate in contract traffic in the Baltic Sea and in Northern Europe and also perform loading and unloading operations at sea as a special service. Transportation operations in the Baltic Sea and the North Sea are mainly based on long-term customer agreements and established customer relationships.

During the review period, AtoB@C Shipping started to offer port towing and related services at the Port of Raahel by using a tugboat acquired for this purpose. At the end of 2019, the shipping company's fleet consisted of 51 vessels with a total capacity of 468,000 dwt. Of the vessels, 24 are wholly-owned (75% of the tonnage), two are minority-owned (2%) and the remaining 25 are time-chartered (23%).

In 2019, the group concentrated on the integration of AtoB@C Shipping and to the launch of new ERP system which covers all vessel and cargo operations in Finland and Sweden. Having all vessels in the same system will improve the operational efficiency of the group.

ESL Shipping is actively investigating different opportunities to have a broader presence in growing markets in the Russian Arctic. The shipping company will also continue its development activities to offer the most effective and environmentally friendly future transportation solutions in the markets.

WE SUPPORT



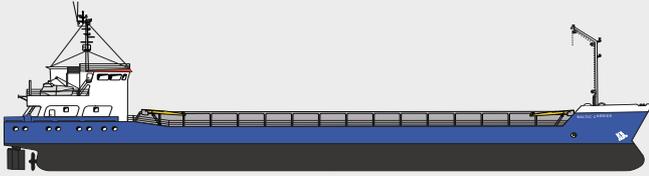
We acknowledge that our parent company Aspo Plc participates in the UN Global Compact, and we support the Ten Principles and advancement of the Sustainable Development Goals as well as broader UN goals. We consolidate our support for this initiative fully under our parent's commitment. Therefore, we do not participate in UN Global Compact activities nor do we participate in activities of a Global Compact Local Network.

3,000 DWT-class

5 x 3,000 dwt
Ice class 1A / 1B

All vessels on time-charter

ALL ON TC



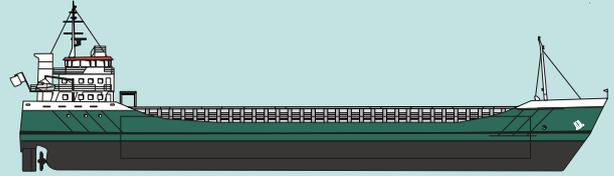
4,000 DWT-class

18 x 4,000 dwt
Ice class 1A

Owned vessels

Calamar, Delamar, Optimar, Solymar and Sonoro

5/18 OWNED



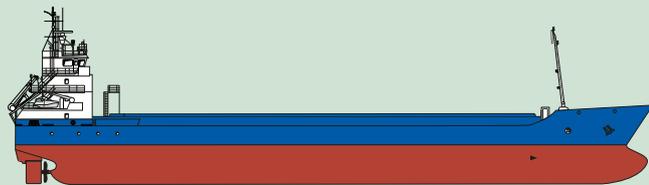
5,000 DWT-class

11 x 5,000 dwt
Ice class 1A

Owned vessels

Miramar, Reymar, Lunamar (49%), Costamar (49%)

3/11 OWNED



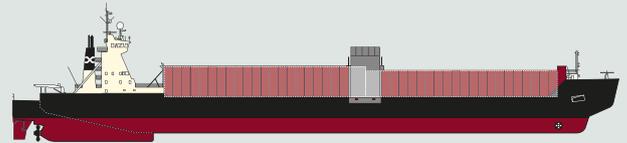
PUSHERS AND BARGES

2 x pusher
4 x 13,500 dwt barge
1 x 9,000 dwt barge
Ice class 1A Super

Pushers

Rautaruukki & Steel

OWNED



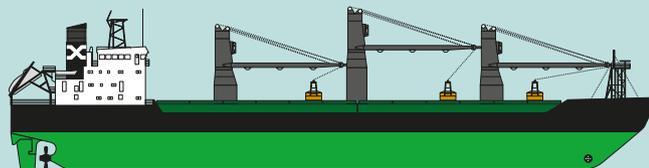
PASILA-class

2 x 13,000 dwt
Ice class 1A Super

Owned vessels

Pasila & Tali

OWNED



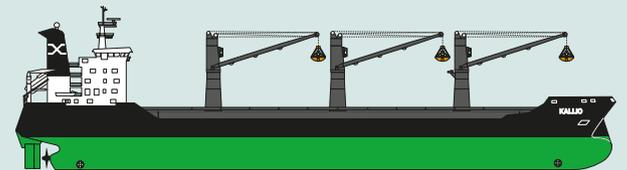
EIRA-class

3 x 20,000 dwt
Ice class 1A Super

Owned vessels

Eira, Kallio, Alppila

OWNED



VIIKKI-class

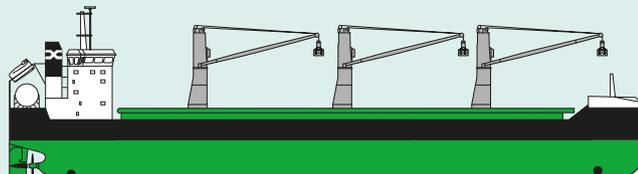
Powered by LNG

2 x 25,600 dwt
Ice class 1A

Owned vessels

Viikki & Haaga

OWNED



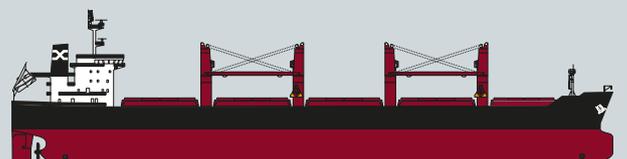
ARKADIA-class

2 x 56,000 dwt
Ice class 1A

Owned vessels

Arkadia & Kumpula

OWNED



HIGHLIGHTS OF 2019

The year 2019 was characterised by the integration of AtoB@C Shipping to the group as well as celebration of 70th anniversary.



ENTRANCE TO A NEW MARKET

In August, the group entered a new market by starting to offer harbour towage services in the Port of Raahe. The main logic behind the move is that approximately 90 per cent of all ships in need of tugboat assistance in Raahe are the company's own vessels. In addition, the size of ships calling Raahe has been increasing recently. This together with varying wind conditions affect the required assistance service level.

07
3

HAAGA REFLAGGED TO FINLAND

Haaga reflagged to Finland. After reflagging all ESL Shipping's owned vessels are under Finnish flag.

26
4

FIVE-STAR ENVIRONMENTAL RATING FOR VIIKKI & HAAGA

Viiikki and Haaga received the best five-star environmental rating from independent Clean Shipping Index. Read more on page 16.

28
3

ESL SHIPPING CELEBRATES 70 YEARS IN BUSINESS

ESL Shipping's story began in June 1949 when the contract was signed to acquire 1911-built steamer Marja-Liisa Nurminen. Read more on page 14.

30
8

ALPPILA ACQUIRED

ESL Shipping acquired Alppila, a 20,000 dwt bulk carrier from SEB Leasing which had owned the vessel since the delivery in 2011.

31
8

TUG CHARLIE COMMENCED HARBOUR TOWAGE OPERATIONS IN RAAHE

AtoB@C Shipping's tug Charlie commenced harbour towage operations in Raahe.

08
11

ESL SHIPPING PARTICIPATED IN INTELLIGENCE HUNT STUDENT COMPETITION

ESL Shipping participated in Intelligence Hunt student competition.

ENVIRONMENTAL RESPONSIBILITY

The acquisition of AtoB@C Shipping added a large number of 4,000–5,000 dwt vessels to the group's fleet, which has a clear effect in environmental performance figures.

Targets 2020

In order to further decrease the environmental footprint of our fleet, in 2020 we will focus on trials with biodiesel and biogas. At the moment the availability of such fuels is limited, but we believe they will play a role in the future when all possible alternatives must be considered to decrease emissions. By using biofuels, we can decrease emissions with our present, traditional fleet. At the same time, we have to acknowledge that biofuels are still extremely expensive and also availability and production capacity is very limited. Sharing the costs of the usage of such fuels with charterers is an imperative in order to use such fuels on a larger scale.

Hazardous materials to be listed

Inventory of Hazardous Material (IHM) and the EU Ship Recycling Regulation (EU SRR) requires that hazardous materials onboard the vessels are listed and samples are taken for laboratory analysis. The IHM quantifies and locates hazardous materials which are known to represent a potential hazard to people and the environment. The EU SRR requires investigation of 15 hazardous substances, while the IHM requires 13. The IHM shall be maintained and kept up to date until the end of the life-span of the vessel.

For our fleet the IHM reports will be conducted by Promaris d.o.o., which is an approved hazmat company and a partner in previous successful new building projects. The IHM certification process shall be completed by September 2020 for the entire fleet.

SEA TRANSPORT IS VITAL FOR BOTH FINLAND AND SWEDEN

A ship is the most environmental-friendly alternative to transport large quantities of cargo. For instance, one Eira-class vessel equals around 1,100 trucks with cargo capacity of 18 tons.

Over 90 percent of world's trade is carried for sea and international vessel traffic accounts for 2.6 percent of global emissions. Sea transportation is vital for Finland and Sweden which are the group's important market areas. Around 90 percent of import and export from both countries is carried by sea.

As can be seen from year-to-year statistics, distance travelled has nearly doubled since last year due to acquisition of AtoB@C Shipping and newbuildings Viikki and Haaga. AtoB@C Shipping's figures were reported for the first time for the whole year. In 2018, they were reported from 1st of September onwards. Also newbuildings Viikki and Haaga were operational the whole year. They were delivered in August and September 2018 and therefore, their influence to 2018 figures was limited. As a result of the above, figures from 2018 and 2019 are not comparable.

Resulting from the acquisition of AtoB@C Shipping we have added a large number of smaller vessels to our fleet. This is also clearly visible in our environmental performance indicators, where we see an increase in emissions per cargo unit. Smaller vessels consume more energy for the same transport work. Consumption per cargo ton transported with a coaster is on average three times higher than on our new LNG-vessels Viikki and Haaga.

One of the easiest ways to decrease carbon footprint is to use bigger ships and slow down their speed. However, it must be recognized this is not possible for all our clients and industries due to lot sizes and restrictions in harbours for instance. Smaller parcels will be shipped and small vessels will be trading also in the future. Therefore, it is important we try to implement more efficient environmental technologies for the new generation of coaster vessels.

48 TIMES AROUND THE GLOBE

Since 2017 our fleet has grown nearly three times which has had a significant impact on sailed distance and cargo amount.

1.924

MILLION NAUTICAL
MILES

84.6%

MORE NAUTICAL MILES IN
2019 COMPARED TO 2018

SHIPPING IS A REGULATED BUSINESS

New regulations focus on the reduction of exhaust gas emissions as well as emissions to the sea.



New global sulphur limit

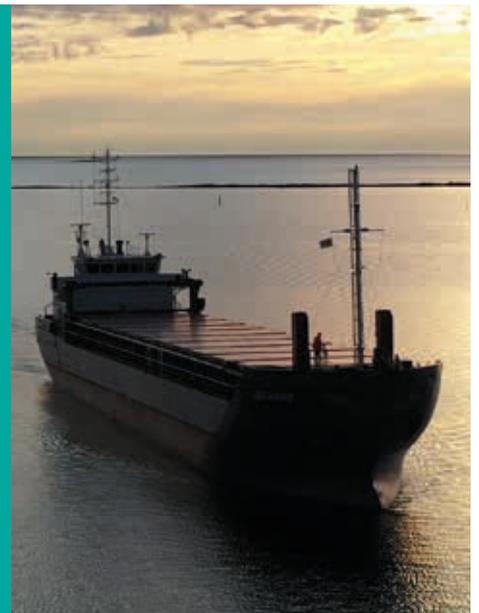
New decade saw new, more stringent environmental regulations coming into force. Starting from 1st of January 2020, sulphur limit will decrease from 3.5 percent to 0.5 percent globally. As a group, ESL Shipping is well prepared to the change as most of our fleet operates only within European SECA-area, where sulphur limit has been 0.1 percent since the beginning of 2015. The change mainly affects ESL Shipping's supramax-vessels Arkadia and Kumpula which operate regularly in ocean traffic where 3.5 percent HFO has been allowed. Those vessels which still have high sulphur fuel oil tanks must have tanks cleaned by the first of March 2020 unless vessel is equipped with exhaust gas scrubbers.



Carbon dioxide emissions are monitored and reported

A lot of emphasis has been devoted to the measurement and reporting of CO₂-emissions. European Union introduced MRV-reporting in 2017 and data collection started 1 January 2018. MRV-reporting covers all voyages to and from EU-ports regardless of the vessel's flag. Verifavia has approved ESL Shipping's system to collect and process the data and verifies it prior to submission. The vessel's owner or manager is responsible for MRV-reporting. Therefore, our MRV-reporting covers only vessels owned and managed by ESL Shipping.

International Maritime Organisation IMO announced its target to cut 50 percent of CO₂-emissions caused by shipping by 2050. IMO has introduced a data collection system (DCS) for reporting vessels emissions and the data collection started in the beginning of 2019. The reporting is mandatory for vessels over 5,000 gross tons.



Ballast water management convention

September 2019 marked important milestone in the implementation of the IMO Ballast Water Management Convention. In general, ships built before 8 September 2017 are required to have ballast water treatment systems installed in the first International Oil Pollution Prevention (IOPP) renewal survey. The aim of the convention is to prevent foreign marine organisms to transfer to new areas and harm local ecosystems. Ballast water is needed especially when vessels sail without cargo to maintain stability. It is also used when vessel is laden to maintain trim and to reduce stresses to the hull.

Our supramax-vessel Arkadia was dry docked in the summer and new United States Coast Guard-approved ballast water treatment system was installed to replace the original one which did not fulfil new regulations. In addition, both Viikki and Haaga are equipped with ballast water treatment systems. Ballast water treatment systems will be installed to other vessels in the fleet according to regulations during the coming dockings. A couple of problems has been encountered with new systems and experience is taken into account when new systems are ordered.



70 YEARS OF SHIPPING

In 2019, ESL Shipping celebrated its 70th anniversary.

Polttoaine Osuuskunta, the predecessor of Aspo Plc had started its shipping activities already in the 1920s. It started chartering vessels to import coke for housing companies' central heating systems in the Helsinki area. The discussion to acquire their own vessel had already begun some 15 years before the acquisition finally materialized.

In June 1949, the contract was signed to acquire 1911-built steamer Marja-Liisa Nurminen from John Nurminen. The vessel was renamed Arkadia, starting the tradition to name ESL's vessels

"OUR SUCCESS HAS ALWAYS BEEN BASED ON OUR SKILLED PERSONNEL AND MUTUALLY BENEFICIAL RELATION WITH CUSTOMERS AND PARTNERS. WE SHALL CONTINUE TO CREATE SUSTAINABLE VALUE FOR THEM ALL."

Mikki Koskinen, Managing Director

after places in Helsinki. In today's standards, the vessel was old and small. She was already 38 years old and had a cargo capacity of about 1,900 tons, around one thousand tons less than our smallest vessels at the moment. Despite her age, she served the company for ten years.

From the humble beginnings, the company became a strong player in the transport for energy and industry sectors with its versatile, ice classed fleet with the ability for self-loading and unloading with the vessel's own cranes. Our vessels are regularly loading and discharging vessels at sea, the special service which we have over 30 years' experience.

Read more at www.eslshipping.com/history



Arkadia, the first vessel of the company.



Hesperia (2) in the English Channel.

FIVE-STAR ENVIRONMENTAL RATING FOR VIKKI & HAAGA

Our climate-smart newbuildings Viikki and Haaga received the best five-star environmental rating from Clean Shipping Index.

Clean Shipping Index is an independent system to verify comprehensively vessels' environmental performance. It's a non-profit organization and the methodology used is evaluated by the technical committee of experts and researchers.

The Clean Shipping Index evaluation of a vessel's environmental performance is comprehensive and takes into account emissions to air and sea. It evaluates direct exhaust gas emissions, chemicals used as well as water and waste management onboard.

"This independent verification proves our innovative new vessels offer our clients the greenest and most sustainable shipping solution currently available in the market", comments Managing Director Mikki Koskinen

Powered by liquefied natural gas, Viikki and Haaga are the most environmentally friendly bulk carriers in the world. Use of LNG and efficient machinery result in low emissions to the air and

ballast water treatment system and cargo hold wash water recovery system minimize emissions to the sea.

Recently there has been a lot of discussion about possible methane slip from LNG-engines. In order to verify the actual emissions from newbuildings, Aeromon performed real-time measurements of the dual fueled main engine of m/s Haaga in October-November 2019.

Measurement equipment was installed in the main engine exhaust pipe measuring carbon dioxide (CO₂), methane (CH₄), carbon monoxide (CO), nitric oxide (NO) and nitrogen dioxide (NO₂) emissions. Based on the results from the on-board emission measurements, it is noted that there are hardly any methane emissions from the 2-stroke main engine.

 Co-financed by the European Union
Connecting Europe Facility

ENVIRONMENTAL IMPACT OF NEW-BUILDINGS

-57%

CO₂-emissions compared to old vessels

-92%

Sulphur emissions compared to 0.1% fuel oil

-25%

NO_x emissions compared to 0.1% fuel oil

-98%

PM emissions compared to 0.1% fuel oil

AUTONOMOUS DISCHARGING BY CRANES

ESL Shipping and MacGregor are testing and developing an autonomous discharging on cargo handling cranes. The cranes will be the world's first autonomous discharging cranes equipped with self-learning capabilities. Extensive test program is ongoing to ensure that the complex system is fully operational.



SOCIAL RESPONSIBILITY

We invest in leadership skills development onboard and ashore.

At the end of 2019, the group employed 337 maritime professionals, out of which 85 percent at sea. Noteworthy is that this figure includes only the personnel on the the group's owned vessels. Moreover, over 350 seafarers work onboard our time-chartered vessels. They are employed by respective vessel managers.

Year 2019 was successful for ESL Shipping in the Minute Competition, which is organised by Finnish Seamen's Service. In 2019 results, Eira was 5th and pusher Rautaruukki 7th. The aim of the Minute Competition is to boost activity among seafarers and to promote healthier lifestyle. In overall results, ESL Shipping reached third place. In addition, ESL Shipping's and AtoB@C Shipping's team participated football tournament organised by Finnish Seamen's Service.

In order to further improve the leadership skills among the onboard management, ESL Shipping

participated in tailor-made Deep Leadership course for ships' personnel together with other Finnish shipping companies. The pioneering course was partly sponsored by Seafarers Pension Fund (MEK) who together with ship owners and other stakeholders saw a need to develop and coach the onboard management on their interaction skills and leadership behavior. The outcome of the Deep Leadership training showed a clear positive trend on measured 360 degree profiles of participants. Based on encouraging experience it has been decided to continue the training of the ship personnel as well as the whole office staff in 2020.

Read more at www.eslshipping.com/social-responsibility

EMPLOYEE BREAKDOWN

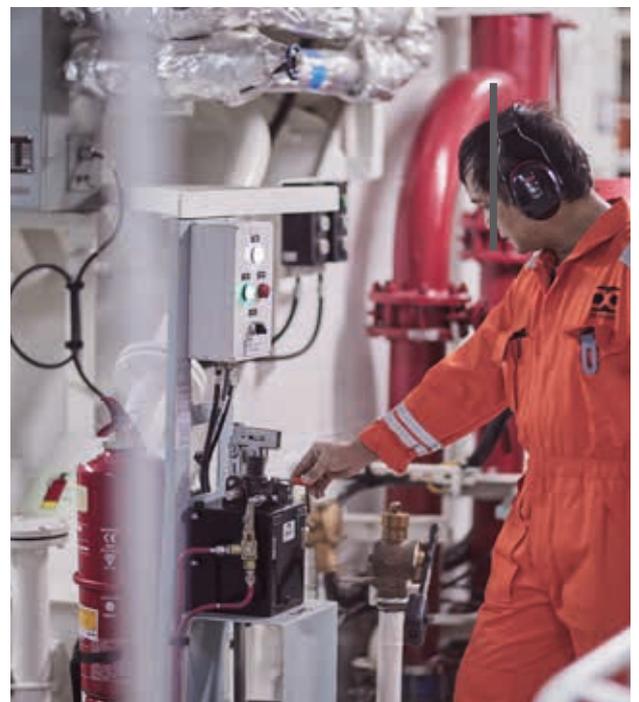
45
AVERAGE AGE

89%
MALE

11%
FEMALE

15%
SHORE

85%
SEA



PTC – Our crewing agent in Manila

Mainly manned by Finnish seamen, ESL Shipping's vessels have also seamen around the globe. Our crewing agent in the Philippines has since 2012 been PTC – Philippines Transmarine Carriers located in Manila. PTC Group is a large crewing company with already 40 years of experience. The agency has ISO 14001 environmental management system as well as ISO 9001 quality management certificates issued by DNV GL. The manning agency also complies with MLC-convention verified by DNV GL.

ESL Shipping's designated crewing team at PTC consists of the Fleet Manager, Crewing Manager, Marine Personnel Specialist and Marine Personnel Assistant.

PTC team is in daily contact with our Crewing team for planning and checks. They recruit new seafarers according to our needs, check all the documentation and plan the required training. ESL Shipping's Crewing team is always assisting

on signing and off signing crewmembers as the seafarers travel through Manila when going on vacation or on board.

The training centre PhilCamSat is partly located in the PTC building where the theoretical lectures are held as well as the simulators. The training centre MAST, where the practical courses such as Firefighting, Proficiency in Survival Craft and Rescue Boat as well as welding are held, is located outside Manila by a river. PhilCamSat was recently accredited by the Norwegian authorities and has won three safety awards in 2019.

In November we arranged a Crew meeting for our crew members on vacation. The program consisted of some latest news from ESL Shipping, information from the health insurance company and the Family relations department. A total of 21 seafarers, eight wives and three children participated and the event was very nice for getting to know one another.



SAFETY IS OUR FIRST PRIORITY

The aim is to decrease injuries by developing occupational safety training.

ESL Shipping's operations and all of its vessels are certified in accordance with the requirements of the International Maritime Organization's International Safety Management (ISM) code which provides an international standard for the safe management and operation of ships and for pollution prevention. This certificate is re-validated annually. In addition, ESL Shipping holds the document of compliance from Finnish Transport and Communications Agency. The document indicates the compliance with the provisions of the International Convention of the Safety of Life at Sea (SOLAS) 1974.

In 2019, there were 14 reported work related incidents at ESL Shipping, one of which required medical care. The other incidents required only pain killers or minor first aid and did not affect the working capability. There was also one suspicion of occupational disease, which is under investigation. ESL Shipping continues to focus on development of preventive actions to decrease

the risks and minimise the consequences of any incidents or accidents. Reporting has been improved through the introduction of a new reporting tool and lessons learnt are actively shared within the fleet to prevent similar mistakes from happening on other ships. A good safety attitude, active identification of hazards and effective mitigation of the identified risks are cornerstones of a good safety culture.

ESL Shipping's alcohol and drug policy is enforced through random testing and focused on testing of suspected breaches. Unfortunately, four breaches were identified in 2019. Maritime safety was not compromised due to these breaches and the company responded to the cases according to company policy and employment contracts.

[Read more at www.eslshipping.com/safety](http://www.eslshipping.com/safety)

MORE EFFICIENT FOLLOW UP OF NON-CONFORMITIES

In the end of 2019, ESL Shipping's non-conformity reporting systems was updated into more transparent and web-based system. The new system will enable more efficient follow-up of the cases. It is important to note that we have visibility only to the owned fleet, time-chartered vessels are managed by respective owners

25.9

Total incident rate per million worked hours

Grounding of Baltic Carrier

Baltic Carrier, on time charter to ESL Shipping, was underway for Lidköping, when it ran aground north of Helsingborg around 9 pm on September 24. The cause of the accident was that the Master fell asleep while on watch, which resulted in the vessel missing an important turn. The grounding caused no environmental damages and both the cargo and crew onboard were safe.

We have initiated a process to go through all our time charter contracts to ensure that our zero-alcohol policy is clearly part of our contract clauses.

Physical and Psychological Stress

Several researches indicate that long periods away from home, lack of communication possibilities and other stress factors increase the mental burden of seafarers. Apart from our supramaxes, our vessels are mainly employed in shortsea service in Northern Europe, which enables reasonable work periods onboard. All ESL Shipping's vessels have a gym and employees can use the vessel's wireless internet onboard. Finnish Seamens Service supplies vessels with DVD-movies, games, books and magazines. Important factor is also the leadership onboard. Group's whole land organisation started Deep Lead teambuilding coaching in 2019 with completion in 2020. Few Masters, one Chief Engineer and one Chief Officer participated the program as well.

SHIPPING HOUSE MODULES BY SEA

Nearly 40 trucks is needed to carry as many Lindbäck's modules as a single vessel with a cargo capacity of 5,000 tons can transport.

It's a cloudy October day in Haraholmen. Alongside the quay is 98-meter long Rocamar ready to load 119 wooden house modules. Modules are produced by Lindbäck's Bygg, whose factory is located right outside the harbour area. Location near the sea and the existing port was one of the important factors when Lindbäck's Bygg chose the location for its top modern production facility. As the most important market for Lindbäck's is in Southern Sweden, the idea of shipping some of the volumes by vessel arose. In November 2018 the first two pilot shipments of house modules were shipped onboard AtoB@C Shipping's vessels to Malmö. In Malmö, those modules were used to build two apartment buildings which have 175 apartments in total.

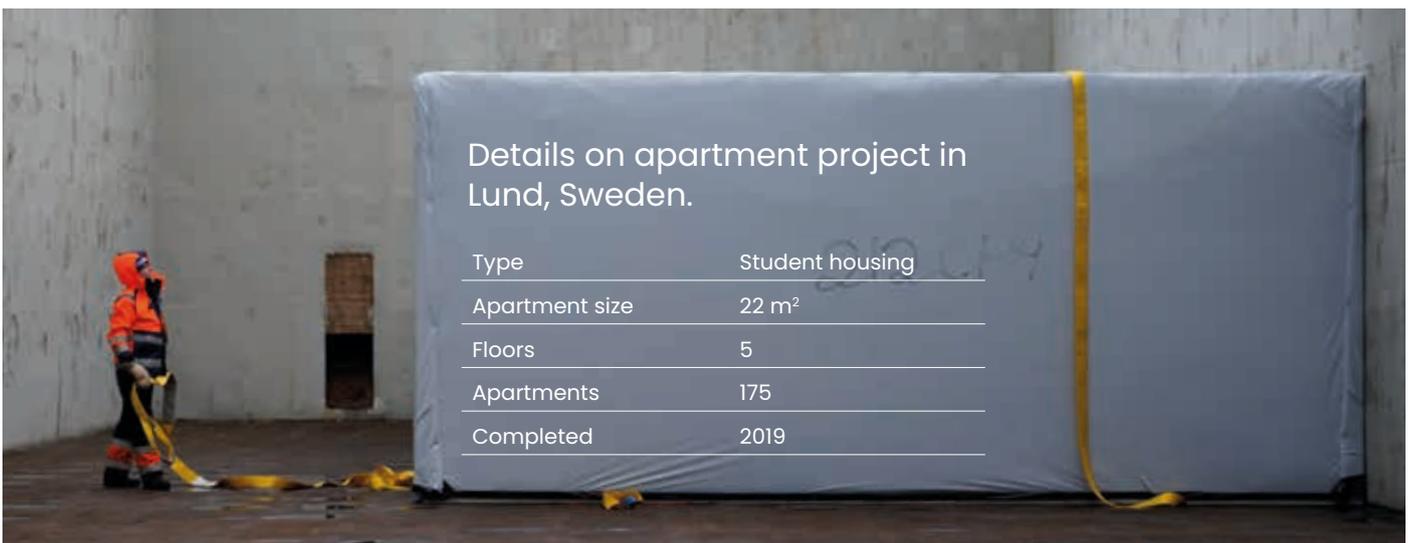
Transport by sea helps to decrease the traffic on the road network. Around 40 trucks are needed to transport the same amount modules than our 5,000 dwt vessel can transport in a single shipment.

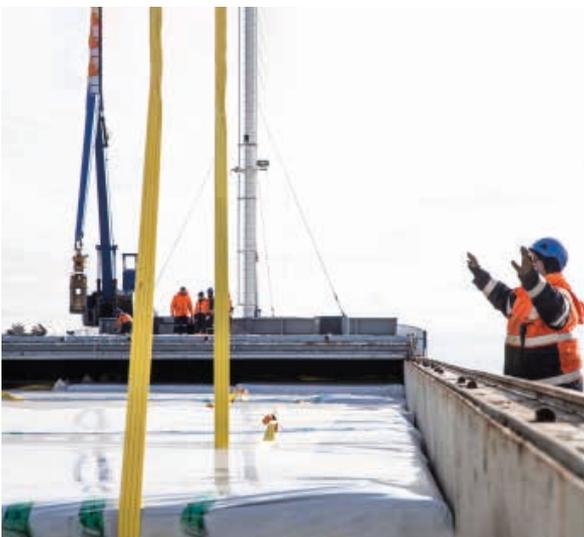
One by one house modules are driven to the loading area by stevedores from port storages. Lifting of

modules is precise work, as the modules have to be loaded exactly as planned to fit all of them to the hold. The loading plan is prepared by Lindbäck's and confirmed by vessel and AtoB@C Shipping's own Supercargo Mikko Koutonen.

When the third and last layer is loaded to hold, the crew begins to inflate airbags which are placed between modules to prevent them to move during the sea passage. Once the crew was ready in the cargo hold, hatch covers were closed and the crew started to prepare tarpaulins which are used to cover the deck cargo. When the deck cargo has been loaded on board and the cargo was secured, Rocamar was ready to set sail. Two days later she was already alongside discharging quay in Norrköping.

[Read more at www.eslshipping.com/lindbacks](http://www.eslshipping.com/lindbacks)





ABOUT LINDBÄCKS BYGG

It all started with a village saw 95 years ago, in the small village of Kallfors southwest of Piteå. Today, Lindbäck is Sweden's leading company of industrially produced multi-dwelling houses in wood. We are proud of the history of our family business, where innovation and development always have been a driving force. We build industrially because we believe in housing for more people.



www.lindbacks.se

ECONOMIC RESPONSIBILITY

The development of compliance program was one of the key focus areas in 2019.



THE IMPORTANCE OF ENERGY COAL HAS REMARKABLY REDUCED

Ten years ago energy coal accounted over 40 per cent of cargo tons. Now the share of all cargo tons is around 15 per cent.

ESL Shipping's vessels are an important part of the national education system. Annually, more than hundred future seamen carry out their mandatory training periods onboard our vessels. In 2019, 110 students were onboard ESL Shipping's Finnish-flagged vessels in mandatory training. On average, each student spent 31 days onboard.

When sailing around the world, crew members may face actions and behavior that fulfil the criteria of bribery or corruption. ESL Shipping and parent company Aspo has a strict zero policy when it comes to corruption and bribery and to enforce this policy, all employees onboard the vessels and ashore are required to complete parent company Aspo's Code of Conduct -training. It provides knowledge on how to recognize suspicious situations and which actions may be considered as bribery or corruption.

Compliance has been in focus in the whole Aspo Group in 2019. Compliance often means the observance of requirements, laws, rules

and regulations. At ESL Shipping group, compliance means ensuring that we act in accordance with requirements that are derived from laws and regulations, our compliance manual, our internal guidelines, Aspo's Code of Conduct and the UN Global Compact principles.

The development of compliance program started in 2019. The purpose was to develop business processes, internal guidelines, as well as documentation and reporting. The ultimate goal was to raise the bar in compliance-related matters. The implementation of the program made good progress during the year. First, compliance officers and other key employees were appointed. Next, the program was distributed to all locations. The purpose of the online training course, mandatory for all employees, is to communicate the importance of compliance in day-to-day activities and teach employees what to do in different situations by use of examples. It is also important to show how and where the personnel can report any suspected violations.

110

students in onboard training

3,618

onboard training days in total

4

Own crane driver courses

31

New crane drivers

OWN COURSE FOR CRANE DRIVERS

ESL Shipping operates 9 vessels and one barge equipped with cranes. Therefore we have arranged own crane driver courses for several years. In 2019, we trained 31 new crane drivers.

PERFORMANCE INDICATORS

Reported figures are based on the calendar year 2019 or the situation on December 31, 2019, if not stated otherwise.

More financial information can be found in Annual Report of Aspo Plc, the parent company of ESL Shipping Ltd.

See www.aspo.com for more details.

At the end of 2019, ESL Shipping group owned 24 vessels and two vessels with minority share. Other vessels are operated by group under time charter contracts. Time chartered vessels are managed by their respective owners. Therefore, this report concentrates on owned fleet for which we have full control. For TC-vessels we can mainly control emissions and commercial decisions and bunkering is done by TC-operator.

SOCIAL PERFORMANCE	2019	2018	2017
Personnel, average	337	333	236
Crew members	287	286	202
Office staff	50	47	33
Gender breakdown (male/female)	301 / 36	297 / 35	215 / 21
Average employee age	45	44	43
Retention rate ^{1, 4}	94.3%	93.3%	95.3%
Training days	326	332	264
Total incident rate (TIR) ^{2, 4}	25.9	21.1	8.9
Incident and near miss reports ⁴	59	43	44

ENVIRONMENTAL PERFORMANCE³

Number of vessels	51	49	18
Distance sailed (nm)	1 924 140	1 042 595	368 741
Fuel oil consumption (t)	74 905	50 824	29 073
Total use of fuel, MWh	892 250	597 300	347 830
Consumption per cargo ton (kg/t)	4.71	3.74	2.64
CO ₂ -emissions (t)	237 279	160 988	93 223
CO ₂ -emissions per ton-mile (g)	15.5	13.1	10.8
SO _x -emissions (t)	179.3	128.9	95.3
SO _x -emissions per ton-mile (mg)	11.69	10.49	10.99

ECONOMIC PERFORMANCE

Net sales (MEUR)	175.0	120.1	79.3
Operating profit (MEUR)	14.6	15.1	13.5
Investments (MEUR)	18.6	41.9	16.8
Cargo volume (Mt)	15.9	13.4	11.4

Figures include AtoB@C Shipping from 1st September 2018. Viikki and Haaga were delivered in August and September 2018 and are included from 1st voyage from Japan. Therefore figures are not comparable.

¹ Based on two-year average (2019/2018, 2018/2017 and 2017/2016). Based on terminations of employment during contract period based on employee's own will, excluding pension. Includes sea personnel only.

² Total incident rate per 1 000 000 working hours. ESL Shipping's sea personnel only.

³ Excluding vessels on voyage charter

⁴ ESL Shipping Ltd only.



ESL Shipping

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