CSL vessels in Canada and Australia displayed banners thanking frontline workers for their dedication, courage and personal sacrifice during the pandemic. The banners are a tribute to those who saved lives, risked their own, kept our economies going and helped us all get through this.
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At CSL, we are committed to conducting our operations in accordance with the highest standards of corporate social responsibility. Not only do we believe it is the right thing to do, but it is also vital for the long-term success and profitability of our business.

Our goal is to put into practice strategies and tactics that align our principles and values regarding safety, environmental protection, ethical behaviour, customer service, and employee and community engagement with our global business objectives.

Since the publication of our inaugural Corporate Sustainability Report in 2013, we have made significant advancements in a performance-based sustainability culture and embraced internationally recognized best practices in measurement and reporting, such as the Sustainability Accounting Standards Board Marine Transportation Standard, the Global Reporting Initiative standards, the Green Marine program and the United Nations Sustainable Development Goals.

By understanding the impacts of our business from both a social and environmental perspective, and by encouraging continuous improvement in all aspects of our operations, we believe that we can build a better future for our people, our environment and our industry.

For more information on CSL’s sustainability and corporate social responsibility programs, visit our website at www.cslships.com.
2020 HIGHLIGHTS

Sustainability Governance
- Developed a materiality matrix on the key sustainability topics of our stakeholders.
- Introduced ESG performance measurement under the Sustainability Accounting Standards Board (SASB) Marine Transportation Standard.

Health and Safety First
- Created regional COVID-19 committees to support seafarers during the pandemic and maintain safe and efficient vessel operations.
- Reduced the lost-time injury frequency rate by 31 percent compared to 2019.

Improving Air Quality
- Tested various biodiesel blends on the main engines of two ships, cumulating in a successful test of 100 percent bio content fuel.
- Switched the entire CSL fleet to low sulphur residual fuels or marine diesel oil.
- Reduced the SOx percentage of fuel in our global fleet by 83 percent since 2015.

Protection Biodiversity and Ecosystems
- Installed a cavitation monitoring system on Ferbec to understand the underwater noise emitted by the vessel.
- Completed the first retrofit of a ballast water treatment system on a Great Lakes self-unloader.

Resource Conservation and Supply Chains
- Achieved 52 percent of 2030 goal in annual total waste to landfill reductions.
- Achieved 55 percent of 2030 goal in total ship waste recycling.

Transforming Through Digitalization
- Continued to invest in technologies and applications and progressed on key projects.
- Increased O2 functionalities on 16 vessels already equipped with the sensor network.

Corporate Ethics
- Investigated and treated five breaches of CSL policies, which were also reported to the Audit and Risk, and Human Resources Committees of the Board of Directors.

Positive Workplace
- Completed the crew transformation project and improved cadet onboard training program.
- Significantly improved Canadian crew training compliance rate.
- Strengthened partnership with Indigenous communities to attract and recruit talent.

Employee and Community Engagement
- Donated approximately 1 percent of total net profit to charitable causes and disaster relief.
- Donated $100,000 to the Institut maritime du Québec.
- Donated $59,000 raised by employees to the Leukemia and Lymphoma Society of Canada.

Value for Customers
- Partnered with customer Windsor Salt to build a new state-of-the-art 26,000 DWT self-unloading ship.
- Delivered three vessels to meet customer requirements and progressed on four newbuild and conversion projects.
- Achieved a Net Promoter Score of 8.94 in the annual CSL customer survey.
MESSAGE
FROM THE CEO

We introduced a stringent COVID-19 safety protocol on board our ships, prioritizing the safety and well-being of our crews, onshore employees and customers. Despite the challenges, we delivered some of the best safety results we have on record.

We seized the opportunity the pandemic presented to innovate and pursue our digital transformation, making our operations more efficient and climate friendly.

We pressed forward on biofuel testing, ballast water treatment, and newbuild and conversion projects to modernize and green our fleet.

And we adapted our charitable programs to deliver support when and where communities needed it most.

As vaccine delivery continues to push down infection rates, our hope for the future grows.

The pandemic reminded the world of the essential role shipping plays in ensuring the movement of necessary goods that fuel our global economy.

More importantly, it reminded us of the greatest asset we have at CSL: our innovative, adaptive and resilient people who are helping us build a responsible, sustainable and responsive company.

We are leading the shipping industry by demonstrating greener operating practices that are good for the global economy and good for a sustainable future.

The pandemic may have challenged and changed our way of life, but it has also presented us with opportunities to improve and grow. We are ready to seize those opportunities and make CSL an even better company and place to work in 2021.

Louis Martel
President and Chief Executive Officer
Founded in 1845, The CSL Group Inc. is a privately-owned Canadian shipping company headquartered in Montreal, Quebec, with commercial operations around the world. Our regional offices are located in Halifax, St. Catharines, Winnipeg and Vancouver (Canada), Boston (USA), London (UK), Bergen (Norway), Jakarta (Indonesia), and Sydney, Brisbane, Whyalla, Perth and Karratha (Australia).

Through our five major operating regions, we own and operate a highly diversified fleet of specialized self-unloading vessels, transhippers and bulk carriers. We are a leading provider of marine dry bulk cargo handling and delivery services, and the world’s largest owner and operator of self-unloading vessels. CSL is also a leader in high efficiency transhipment solutions.

We currently operate a fleet of 47 vessels, including 29 self-unloaders, four transhippers, six bulkers, five pneumatic cement carriers and two self-unloading barges. CSL is also responsible for the commercial management of eight other self-unloading ships as part of the CSL International Pool and one cement carrier as part of the Eureka Shipping joint venture.
In FY 2020 (March 31, 2021), CSL transported 72.5 million tonnes of dry bulk commodities for customers throughout the world. Commodities moved include iron ore, aggregates, grain, cement, coal, gypsum, salt and wheat.

Approximately 90 percent of our revenue is generated from long-term contracts with customers. Contracts range in duration between one and 20 years.

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

Newbuilds, Conversions and Acquisitions

In 2020, CSL partnered with customer Winsdor Salt to build a new state-of-the-art 26,000 DWT self-unloading ship. Construction began in August 2020 and the custom-made vessel is expected to commence operations at the start of the 2022 navigation season.

In summer 2020, CSL Australia took redelivery of the hybrid self-unloading vessel Elanora, which was converted from a 46,000 DWT bulk carrier purchased by CSL in 2019.

Two 82,000 DWT Kamsarmax ships acquired by CSL in 2019 are being converted into gravity-fed self-unloaders. They are expected to join the CSL Americas fleet in the fall of 2021.

CSL also acquired a 46,673 DWT bulk carrier in 2020 for the CSL Australia fleet.

Joint Ventures

In 2018, CSL formed a joint venture with SMT Shipping, acquiring a 50 percent stake in Eureka Shipping Ltd., SMT’s pneumatic cement vessel business. In 2019, Eureka took delivery of three pneumatic cement carriers.

CSL also joined forces with Hartmann Family in a 50/50 joint venture to build and operate two 40,000 DWT self-unloading vessels. The first of the two vessels was delivered in August 2020 while the second ship is expected in summer 2021. CSL also co-owns M/V Ventura as part of a partnership with Marbulk Shipping.
The CSL Group Inc. is headquartered in Montreal, Canada, and has offices in each of the regions in which it operates. Company management is overseen by a nine-member Board of Directors, which includes CSL’s three owners and six independent directors. In addition to overseeing the company’s business activities, the Board of Directors advises the management team on CSL’s strategic and operational direction.

Many of the Board’s responsibilities are carried out through three working committees: the Audit and Risk Committee, the Human Resources Committee and the Corporate Environmental Sustainability Committee, all of which meet and report back to the Board of Directors throughout the year.

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

**CORPORATE GOVERNANCE**

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

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

**Meredith H. (Sam) Hayes** was President and Chief Executive Officer of The CSL Group Inc. from 1995 to 2008. Mr. Hayes has worked as an auditor, a bond money market trader, and in various finance and treasury positions for major Canadian companies. Mr. Hayes is also a Trustee of the CSL Pension Fund Society and an advisor to Horizon Capital Holdings.

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

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

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

Paul W. J. Martin is the Chair of the Board of Directors of The CSL Group Inc. as well as an owner of The CSL Group Inc. and Horizon Capital Holdings. He began his career at CSL as a management trainee in the Administration Department before being promoted to Manager, Business Development of CSL’s Singapore office, where he also served as Director, Projects and Planning.

Brian McManus is the Executive Chair and CEO of Uni-Select Inc. Mr. McManus is also a member of the Board of Directors and the Audit Committee of Metro Inc. From 2001 to 2019, Mr. McManus was the President and CEO of Stella-Jones Inc.

Lone Fønss Schrøder is the Chief Executive Officer of Concordium AG, a global provider of blockchain technologies. She is Vice-Chair of Volvo Cars AB and Chair of the Audit Committee, and is a director of Geely Sweden Holdings AB, Ingka Holding B.V. (Ikea Group), Akastor ASA, Aker Solutions ASA and Aker Horizons. She has held several senior management and CEO positions at A.P. Møller-Maersk A/S and became CEO and President of Wallenius Lines AB in 2005.
SUSTAINABILITY GOVERNANCE

Sustainability is at the core of CSL’s DNA. Our company has a proud history of environmental and safety leadership and our sustainability ambitions grow stronger every year. As a result, we have embarked on a process to ensure we continue to respond to our stakeholders’ priorities by expanding our sustainability strategy in 2021 to encompass a broader range of sustainability goals.

To help us reach our targets, the Green Marine environmental certification program and the United Nations Sustainable Development Goals help shape and direct our sustainability efforts.
**Focusing on Issues That Matter**

In 2020, CSL reviewed its material topics and issues. The review involved a comprehensive stakeholder assessment process and a review of industry research to identify trends, insights and expectations across our value chain. Senior management then vetted and prioritized the findings.

The result is an updated materiality matrix, which identifies and prioritizes the issues that are material to our business.

### Materiality Matrix

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**Our Stakeholders**

CSL engages with diverse stakeholder groups on sustainability issues, through formal and informal discussions. These groups include:

- employees, on board ships and at shore;
- customers;
- port operators;
- suppliers;
- governments;
- academic and thought leaders;
- industry organizations and classification societies;
- non-governmental organizations;
- Indigenous groups.

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[12]
Setting the Course

CSL’s understanding of sustainability and our ambitions have matured over time. This report, now in its eighth year, was born from CSL’s core values of respect for people and the environment. As we grow as an organization, engage with stakeholders and further recognize our responsibility to society, our sustainability ambitions also evolve.

CSL is embarking on a process of updating our sustainability strategy to include a more holistic set of ambitions. In 2021, our focus is on collecting data for the material topics considered strategic to our business. We also plan to create a collective ambition and establish measurable targets to track our performance. Our objective is to present our new sustainability strategy in the 2021 edition of CSL’s Corporate Sustainability Report.

Changes to Our Reporting Structure

A key part of refreshing our sustainability strategy is to report on the disclosures within the Sustainability Accounting Standards Board (SASB)’s Marine Transportation Standard. Our stakeholders have identified reporting transparency as a key issue, and SASB is the only sustainability disclosure framework with a specific standard for the marine transportation industry.

We have evolved the annex of our report to serve as an environmental, social, and governance (ESG) scorecard that measures our performance against SASB disclosures. In addition, subject matter experts have helped us create metrics for material topics not covered by the SASB standard. Our goal is to report on all disclosures within the SASB standard by 2023.

The new disclosures made in this report include additional health and safety data related to Port State Control inspections, diversity and inclusion metrics regarding the age and gender distribution of employees, as well as data on ports visited globally. The new ESG data disclosures are published on page 83 of this report.

ISO 14001

Canada Steamship Lines received its ISO 14001 certification in 2011 followed by CSL Australia in 2016. Accreditation to ISO 14001 means that we have in place an effective environmental management system (EMS) tailored to the nature of our activities. Consistent with our environmental policy, the intended outcomes of our environmental management system include:

- enhancement of environmental performance;
- fulfilment of compliance obligations;
- achievement of environmental objectives.
In 2016, CSL’s 2030 Environmental Vision was established, outlining our ambitions under the core areas of Air, Water and Resource Use.

**AIR**

CSL’s focus is on decarbonization through a two-pronged approach. In the short term, we continue to adopt power-saving devices such as propeller appendages and waste heat recovery systems. We also make use of conservation measures such as generator and engine enhancements, and operate our vessels at engine-optimizing speeds whenever possible. In the medium to long term, we believe that adopting alternative low- and zero-carbon fuels will help the entire industry reduce its carbon footprint. In line with this approach, we began testing biodiesel on our fleet in 2020.

**WATER**

We take our responsibility for protecting the oceans, lakes and waterways in which we operate seriously. We strive for zero oil spills, a core goal of our operations. Protecting marine mammals by avoiding vessel strikes, reducing underwater noise and eliminating vessel pollution are critical strategies we have adopted. We rely on strong partnerships focused on science and innovation to increase our understanding of these issues and to develop robust protection measures.

**RESOURCE USE**

Improving our resource use in a sustainable way requires the support of our suppliers, both upstream and downstream. CSL is focused on responsible, sustainable supply chain management, beginning with our most critical or highest-impact suppliers. To support this goal, CSL uses IMPA ACT, a program created by the International Marine Purchasing Association, to guide the way we work with our suppliers to ensure sustainable procurement.
Our Partnerships

CSL actively seeks to engage with a wide variety of partners and organizations to pursue our sustainability goals.

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

The United Nations Sustainable Development Goals

As a global shipping company, CSL has a responsibility to advance the United Nations Sustainable Development Goals. We may not have a direct impact on every one of the 17 goals, but we actively work to make a meaningful and positive contribution to those of concern to our company and industry.

Throughout our Sustainability Report, you will find icons corresponding to the Sustainable Development Goals where CSL’s programs are most closely aligned.
In a year defined by the global COVID-19 pandemic, CSL maintained its unwavering commitment to safety. The high level of attention we devoted to protecting the physical health and well-being of our employees led to a dramatic improvement in fleet safety.

Our home-grown safety program, SafePartners, continued to empower our crew members by making them prioritize their own safety and that of their colleagues. As the driving force behind everything we do at CSL, SafePartners is embedded in every decision, at every level of the company.
After the World Health Organization declared COVID-19 a global pandemic, the entire CSL team aligned around one common purpose: safeguarding and protecting our seafarers. Maintaining COVID-free zones on our ships required a rapid response and a coordinated effort to put protocols and procedures in place to protect the health and safety of our crews.

COVID-19 vessel contingency plans specific to the challenges each region faced were developed as the pandemic escalated. Those plans were reviewed regularly and updated to reflect the rapidly evolving COVID environment around the globe.

The key elements of these regional plans include:

- pre-boarding health declarations for all seafarers;
- COVID-19 PPE requirements for travel to/from vessels;
- health monitoring protocols for crew after crew changes;
- social distancing and COVID-19 PPE guidelines;
- pre-boarding health declaration and temperature checks for all visitors;
- protocols to limit crew interaction with harbour pilots;
- COVID-19 outbreak procedures;
- limiting vessel visits to essential reasons to maintain safe vessel operations.

**PROTECTING OUR PEOPLE THROUGHOUT THE PANDEMIC**

**CSL Signs Neptune Declaration**

As part of our ongoing efforts to manage safe and efficient crew changes during the pandemic, CSL proudly supports the Neptune Declaration on Seafarer Wellbeing and Crew Change. Its four main actions to facilitate crew changes are to:

- recognize seafarers as key workers and give them priority access to COVID-19 vaccines;
- establish and implement gold standard health protocols based on existing best practice;
- increase collaboration between ship operators and charterers to facilitate crew changes;
- ensure air connectivity between key maritime hubs for seafarers.
All Hands on Deck During the Pandemic

Personal Protective Equipment
To help crews implement contingency plans, CSL’s procurement teams organized expedited deliveries of COVID-19 PPE, cleaning agents and infrared thermometers, and ensured vessels were kept adequately supplied during the year with top-up deliveries.

Medical Services
CSL ensured crews had access to a remote medical service provider 24/7, to assist ships in managing potential outbreaks and to provide general medical advice. This proved to be invaluable as restrictions placed on shore leave tightened around the world.

Care Packages
CSL arranged for care packages to be sent to vessels, containing essential items seafarers would normally purchase ashore in their free time. As the pandemic spread and lockdowns were imposed in various countries, CSL limited shore leave to essential reasons only, to safeguard the health of all crew and limit the likelihood of a COVID-19 outbreak on board. In some regions, local authorities imposed shore leave restrictions.

Communication
To keep ship and shore employees informed about the evolving situation and safety precautions in each region, we used a variety of communication streams including regular calls, vessel advisories, a daily newsletter and dedicated social media pages for crews and their families.

Crew Changes
One of the biggest challenges CSL and the shipping industry faced during the pandemic was the ability to effect safe and timely crew changes. Border restrictions and reduced airline capacity played major roles in impeding the ability of crews to travel to and from ships.

With the support of our agents in various regions, CSL’s crewing teams worked tirelessly to ensure crew changes were able to take place. We even chartered planes when no scheduled flights were available in some regions.

Crews endured disruptions to their normal schedules, including multiple self-isolation periods for some, when border restrictions mandated them.

Historical Injury Trend
It is a testament to the professionalism of our crews that throughout the hardship they endured during a global pandemic, their safety performance continued to improve.

CSL’s Total Recordable Case Frequency Rate (TRCFR), which includes lost-time injuries, medical treatment cases and restricted work cases, and CSL’s Lost-Time Injury Frequency Rate (LTIFR) both dropped in 2020 and have continued their downward trajectory since the introduction of SafePartners.

Global LTI and TRC Frequency Rates
HEALTH AND SAFETY RISKS

Injuries by Body Area 2020

This image depicts the location and number of safety incidents that occurred in 2020 and includes all injuries requiring first aid, medical treatment cases, restricted work cases and lost-time injuries.

Injuries by Ship Area 2020

- **Accommodation and Galley**: Burns 5, Crush 2, Cuts/Bruses 5, Dislocation/Fracture 1, Eye Injury 2, Strain/Sprain 14, Other 4

- **Open Deck**: Burns 0, Crush 2, Cuts/Bruses 7, Dislocation/Fracture 0, Eye Injury 3, Strain/Sprain 12, Other 4

- **Machinery Space**: Burns 5, Crush 2, Cuts/Bruses 5, Dislocation/Fracture 1, Eye Injury 2, Strain/Sprain 14, Other 4

- **Mooring Deck**: Burns 1, Crush 0, Cuts/Bruses 5, Dislocation/Fracture 0, Eye Injury 0, Strain/Sprain 7, Other 2

- **Other**: Burns 0, Crush 1, Cuts/Bruses 10, Dislocation/Fracture 1, Eye Injury 2, Strain/Sprain 14, Other 6
CSL is committed to strengthening our SafePartners program to improve safety performance and achieve our goal of zero harm. In 2019, CSL launched the All Hands on SafePartners program to elevate our safety culture by seeking input from seafarers and employees across all fleets. In 2020, we continued to improve in the following priority areas.

- **Governance.** A global Health, Safety, Environment and Quality (HSEQ) team was reinstated. The new team works closely with regional HSEQ teams to standardize operating procedures and share best practices. In addition to a monthly global safety meeting, CSL’s executive team meets monthly to focus solely on safety.

- **Ship Visitor Training.** New mandatory ship visitor training was introduced to ensure all visitors understand the safety requirements they must adhere to while on board CSL ships. The training covers the precautions to be taken on a working vessel and ensures visitors arrive on board prepared.

- **Global Risk Register.** Individual ship risk assessments have been consolidated into a global risk database that helps identify the main onboard risks. The goal of this project is to reduce complacency in risk assessments and improve hazard control through a single, easy-to-use risk register.

- **Improved Communication.** We are improving the way we communicate regarding safety issues at every level to ensure the right messages get through. Quarterly online newsletters provide regular communications about safety from the crew, to the crew. Talking about safety regularly keeps it front-of-mind for all employees.
The Fire Integrated Risk Mitigation (FiRM) project was launched as a global fleet initiative to enhance CSL’s ability to prevent, detect and suppress fire through engineered solutions. Despite COVID-19’s impact on equipment deliveries and restrictions on the presence of contractors on board, the FiRM project team found alternative solutions and succeeded in installing the system on vessels.

A glimpse at the project’s progress in numbers:

1. **1** ship fitted with a deluge sprinkler system for fire suppression, protecting the vessel’s external conveyor system
2. **2** ships fitted with Hi-Fog® watermist systems for fire suppression, protecting the vessels’ internal conveyor systems
10. **10** self-unloaders fitted with linear heat detection systems
19. **19** ships fitted with FIKE smoke and flame detection systems for early-fire warning utilizing CCTV in the engine room and remote technical spaces

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**Lifesaving Rules Training – Canadian Fleet**

Training on CSL’s six Lifesaving Rules reduces the risk of an accident, incident or near-miss in high-risk operations by 70 percent and is mandatory under the Labour Code of Canada.

In CSL’s Canadian fleet, the rate of completion for training on Lifesaving Rules improved from 43 percent of crews in April 2020 to 70 percent one year later. All crew members must receive this training prior to beginning any associated task. Once completed, the training is valid for three years.

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**Thirty-Six Vessels Achieve Safety Milestone**

2020 was a standout year for vessel safety performance, with 30 crews achieving a new safety milestone, bringing the total number of ships with safety pennants to 36. The program is an important means of recognizing and celebrating the safety milestones achieved by our crews. Each new pennant level represents an increasing number of operational days without a lost-time injury.
Our Commitment

▶ Achieve zero harm
▶ Continue to build on SafePartners through focused vessel safety design and risk management
▶ Increase focus on the prevention of catastrophic losses by tracking and learning from high potential occurrences (HIPOs)
▶ Leverage technology and reporting/analysis to anticipate and prevent future accidents
▶ Increase the maturity of CSL’s safety culture

Progress in 2020

▶ Reduced LTIFR by 31 percent over 2019
▶ Established a global HSEQ team
▶ Developed a centralized risk register for vessel operations
▶ Continued FiRM project to improve fire safety on board the global fleet
▶ Established regional COVID-19 committees to support crews and maintain safe vessel operations
▶ Continue implementation of the SafePartners roadmap
▶ Select an upgraded safety management IT tool for the fleet that includes a contractor safety module
▶ Complete the fire suppression and detection system installations across the fleet
▶ Launch a refreshed Lifesaving Rules campaign with the addition of a fire prevention rule
▶ Continue to develop role-based safety competencies to promote a skilled workforce

Sustainable Development Goals

Sustainable Development Goals

- Good Health and Well-being
- Decent Work and Economic Growth

Safety Results

2019 vs 2020

- LTIFR: -31%
- TRCFR: -37%

8.2 million vs 7.6 million Total exposure hours

- Days Off Duty: -36%
- Safety Observations Reported: 1,263 in 2019 vs 1,518 in 2020

Safety Results

The lost-time injury frequency rate (LTIFR) refers to the number of lost-time injuries occurring in a workplace per 1 million person-hours worked.

The total recordable case frequency rate (TRCFR) refers to the sum of lost-time injuries, restricted work cases and medical treatment cases occurring in a workplace per 1 million person-hours worked.

Days Off Duty

The average days off per injury decreased from 121 in 2019 to 77 in 2020.

Safety Observations Reported

1,263 in 2019 vs 1,518 in 2020

Safety observations refer to safe acts, unsafe acts, and safety observations.
Although short sea shipping is considered one of the most environmentally friendly modes of transporting large quantities of cargo, we recognize that we still need to make tremendous progress to reduce the industry’s overall carbon footprint.

At CSL, we are committed to improving the energy efficiency of our fleet and promoting the decarbonization of the marine transport industry.

Throughout 2020, CSL’s Research & Innovation and Global Technical Services teams explored, evaluated and tested emerging technologies and approaches. By 2030, we aim to reduce our CO₂ eq per tonne of cargo moved by 35 percent compared to 2005. Our goal is also to emit 95 percent less sulphur than in 2010.
On January 1, 2020, the new sulphur content limits in Annex VI of the International Convention for the Prevention of Pollution from Ships (MARPOL) came into effect. These new limits require ships trading outside the Sulphur Emission Controls Areas (SECA) to reduce the sulphur content of the fuel oil they burn to 0.5 percent or less. Achieving this goal is a significant milestone in our quest to improve air quality, preserve the environment and protect human health.

In keeping with this limit, the entire CSL fleet has switched to low sulphur residual fuels or marine diesel oil. CSL ships operating in the North and Baltic seas, as well as in North America and the Caribbean, also comply with the more stringent sulphur content level of 0.1 percent.

**CSL Global Fleet Sulphur Emissions**

At CSL, we measure our fleet’s reduction in sulphur emissions on the basis of total sulphur emitted in metric tonnes per total fuel consumed. This formula accounts for trade and fuel consumption fluctuations. Since 2015, we have reduced the SO\textsubscript{x} percentage of fuel in our global fleet by 83 percent.

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### Since 2015, we have reduced the SO\textsubscript{x} percentage of fuel in our global fleet BY 83 PERCENT.

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### Sulphur in Fuel Trend – CSL Global Fleet
Cutting Greenhouse Gas Emissions

CSL has had a long-term greenhouse gas reduction goal in place since 2016. We established our target to reduce greenhouse gas emissions by 35 percent below 2005 levels by 2030, to align with Canada’s contribution under the Paris agreement. In 2018, the International Maritime Organization (IMO) released its initial strategy on the reduction of GHG emissions from ships, using a 2008 baseline. Although we remain focused on achieving our 2030 goal, which will require a further reduction of nine percent, we are looking ahead to reaching full decarbonization on a longer-term horizon. Our work on biofuels and assessments of future renewable energy liquid fuels will be the driving force behind our fleet decarbonization strategy. We remain committed to our 2030 target but have not lost sight of the bigger zero carbon challenge that awaits us.

CSL 2030 Goal

Emit 35 percent less CO₂ eq per tonne of cargo moved per tonne-mile compared to 2005

To achieve this ambitious objective, we are building more efficient ships, investing in R&D and innovation, and exploring and testing new technologies, fuels and digital solutions. Since 2005, we have reduced CSL’s global GHG emissions (in grams per tonne-mile) by 26 percent.

TESTING GREEN FUEL

In 2020, CSL tested various biodiesel blends on the main engines of two ships, cumulating in a successful test of B100 (100 percent bio content). The second-generation biodiesel we use is made from soybean oil, a byproduct of the main crop grown in North America, which is soy meal for animal feedstock.

Biofuels have several environmental benefits when compared to petroleum-based fuels. They reduce lifecycle carbon emissions by 86 percent, lower particulate matter by 47 percent, and almost eliminate the amount of SO₂ emissions. All of these benefits contribute to improved air quality and lower pollution.

Following the successful trial of B100 biodiesel fuel and based on the availability of fueling points and trading patterns, we will test second-generation biodiesel on half of our Canadian fleet during the 2021 navigation season – a first for the Great Lakes shipping industry.
In August 2020, CSL began the construction of a tailor-made, state-of-the-art self-unloading ship to service Windsor Salt’s salt mine in the sensitive marine environment of the Magdalen Islands.

Innovations in the design of the ship and modern equipment are expected to reduce CO$_2$eq emissions by approximately 25 percent and improve energy efficiency. These include diesel-electric tier 3 engines, hydrodynamic twin fins and a unique hull design.

Diesel-electric propulsion is also an effective propulsion-train configuration for reducing underwater noise to protect marine mammals. Additionally, the unique hull design, in combination with the state-of-the-art propulsion system, will enhance the vessel’s maneuverability and increase the safety of navigation in shallow waters. Together, these design features will contribute to the protection of this sensitive area.

**The ship’s other unique features include:**

- water-lubricated stern tube and oily water discharge protection units to reduce the risk of oil leaks;
- a waste heat recovery system and variable frequency drives to save energy;
- blackwater retention features to discharge the water ashore;
- recycling and composting storage instead of an incinerator to eliminate air emissions.
Energy Management with O2

In 2020, CSL deployed the Operational Optimizer (O2) energy management feature on 11 vessels in the Canadian fleet. The O2 system allows us to track fuel used for propulsion as well as electrical consumption, and it provides intelligent benchmarks such as past performance and the performance of sister ships. O2 is instrumental in optimizing the operational parameters of our vessels, which in turn helps to reduce fuel consumption and air emissions.

CSL Receives Green Flag Award

In 2020, the Port of Long Beach presented CSL with a Green Flag Award for voluntarily adopting a 12-knot speed limit within 40 miles of the port. Slowing ships prevents the emission of 45,000 tonnes of greenhouse gases and 1,000 tonnes of general air pollutants at the port each year.

Energy Saving Device Attached to Hull

The sister vessels CSL Kaosek and CSL Kajika were each fitted with a Becker Mewis Duct®, an energy-saving device attached to the hull, in front of the propeller. This duct will reduce fuel consumption and CO₂eq emissions by an average of three percent. The device is also an effective measure to mitigate underwater radiated noise.
Ship 02601 0200 1000 2000 3000 4000 5000

Based on the IMO GHG 2009 study
Trucks >40 tonnes – Bulk Carriers 10,000 – 34,999 DWT

**Weather Station Assesses Renewable Energy Potential**

A weather station was installed on board Spruceglen to measure meteorological data on the Great Lakes and St. Lawrence River. This project is part of CSL’s commitment to the REVOS program.

The REVOS (Reduction of EnVironmental footprint of ships Operating on the St. Lawrence) program is an initiative of CSL, Innovation maritime and Davie Shipyard. It is designed to find simple and practical solutions to improve the environmental performance of ships.

As shipping moves towards decarbonization to meet IMO 2050 goals, new technologies are emerging that harness wind and solar energy to reduce dependence on traditional fuels. To evaluate these technologies, we need to understand how much wind and solar energy occurs in shipping channels. The weather station collects this data, enabling the REVOS program to assess products like solar panels, rigid sails and Flettnor rotors, to determine the amount of GHG reductions these technologies could achieve.
Enhanced Dust Suppression Equipment

In 2020, CSL designed a telescopic super chute with enhanced dust control capabilities and installed it on board CSL Tadoussac. The chute confines cement clinker dust emissions during unloading. It is constructed from lightweight material – ultra-high molecular weight polyethylene and stainless steel – and is safe and efficient to operate.

The new chute is quick and easy to engage, and requires fewer crew members to connect and disconnect for unloading operations than the previous technology. Because it is light and easy to manipulate, the chute also reduces the risk of injury to crew members. When the chute is attached, the seal it creates is impervious, which means no dust escapes from either the telescopic chute or the seal when a shore hopper is used during unloading.

<table>
<thead>
<tr>
<th>CSL 2030 Goal</th>
<th>Progress in 2020</th>
<th>Moving Forward</th>
</tr>
</thead>
<tbody>
<tr>
<td>Produce 35 percent less CO₂eq per tonne of cargo moved than in 2005</td>
<td>Conducted biofuel trials on the main engine of two vessels</td>
<td>Use biofuel onboard eight vessels</td>
</tr>
<tr>
<td>Reduce fleet sulphur emissions by 95 percent compared to 2010</td>
<td>Installed a weather station to assess solar and wind technology potential</td>
<td>Carry out propeller edge trimming on one vessel</td>
</tr>
<tr>
<td>Eliminate ozone-depleting refrigerants from the fleet</td>
<td>Installed an advanced dust suppression system</td>
<td>Install Becker Mewis Duct® on two vessels</td>
</tr>
<tr>
<td></td>
<td>Installed one propeller boss fin cap and Becker Mewis Duct® on two vessels</td>
<td>Roll out O₂ on the CSL Americas and CSL Australia fleets</td>
</tr>
<tr>
<td></td>
<td>Carried out propeller edge trimming on two vessels</td>
<td>Conduct Eco-Torque upgrade on six vessels</td>
</tr>
<tr>
<td></td>
<td>Deployed O₂ energy management feature on 11 vessels</td>
<td>Upgrade energy efficient lighting on six vessels</td>
</tr>
<tr>
<td></td>
<td>Replaced vessel fuel with low sulphur residual fuels or marine diesel oil</td>
<td>Conduct hydrogen injection research</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Remove freon from one vessel</td>
</tr>
</tbody>
</table>

Sustainable Development Goals

13 Climate Action
7 Affordable and Clean Energy
3 Good Health and Well-Being
14 Life on Land Water
CSL has a long history of involvement in the protection and research of marine mammals. We have developed marine mammal management plans, trained crew members on sightings and identification, supported an investigation into long-term trends in marine mammal incidents, and funded research to collect data on the movements of right whales and their feeding habitats using glider-mounted hydrophones.

In 2020, our research and scientific support continued in conjunction with new onboard environmental protection measures to promote healthy oceans and waterways.
CSL remains on schedule to install a ballast water treatment system to meet the International Maritime Organization’s (IMO) compliance timeline. Our plan involves retrofitting vessels during scheduled dry-docking.

Retrofits can take up to seven weeks. During the COVID-19 pandemic, we encountered severe labour and parts shortages, which increased the pressure on our installation timetable. Due to these supply chain challenges, CSL completed the first alongside installation of such a system on CSL Tarantau at the Port of Halifax, in Canada.

In the Great Lakes, the lack of consistent regulations and standards between the United States and Canada makes planning and preparing the installation of ballast water treatment systems difficult for shipowners. Despite this uncertainty, CSL completed a first retrofit on a Great Lakes self-unloader.

CSL acknowledges the challenges involved in installing and operating a system to protect water quality in the Great Lakes. By proceeding with this trial system, we hope to provide valuable information that will contribute to realistic, practicable solutions for managing a ship’s ballast in this unique body of water.

### CSL Ballast Water Treatment Systems Status

<p>| | |</p>
<table>
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<tr>
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</thead>
<tbody>
<tr>
<td>Total installed in 2020</td>
<td>2</td>
</tr>
<tr>
<td>Total installed to date</td>
<td>10</td>
</tr>
<tr>
<td>In progress (to be completed in 2021)</td>
<td>6</td>
</tr>
</tbody>
</table>
**Biofouling**

Ships can introduce and spread invasive aquatic species in new environments through ballast water or hull fouling. Biofouling is described as the undesirable accumulation of microorganisms, plants, algae and animals on submerged structures. These invasive species pose threats to human, animal and plant life, economic and cultural activities and the aquatic environment.

In Canada, where vessels operate in cold fresh water, the risk of hull fouling is low because of seasonal icy conditions and short times spent at berth. However, in other parts of the world where CSL’s global fleet navigates, hull fouling is more common. CSL is adopting measures to manage and reduce the risk of biofouling on those fleets. All vessels have a biofouling management plan and record book in which crew members record the actions they take to mitigate biofouling.

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**Oily Water Discharge Protection**

Under the Green Marine environmental certification program, CSL has been methodically upgrading ageing oily water separators (OWS) on its fleet. As part of our commitment to install oily water discharge protection units on every ship in the global fleet, in 2020 we continued to install ‘white boxes’ that monitor and prevent illegal discharges of bilge water.

CSL’s O2 digital platform allows crew members and office staff to connect through a real-time digital dashboard. The O2 system tracks the state of the oily water separator equipment at all times. The system ensures that the discharge of treated bilge water from the OWS is conducted according to regulations, depending on vessel position, speed and time of day.
Data Gathering for the Marine Mammal Observation Network

Since 2015, CSL has actively participated in collecting whale-watching data in the St. Lawrence Gulf and Estuary. Over the last six years, the crews of Salarium and Baie St. Paul have identified 369 whales and helped improve databases on types of whales and their geographical distribution. Minke whales, fin whales, blue whales and harbour porpoises make up the majority of species observed by CSL crews. The Marine Mammal Observation Network, World Wildlife Fund Canada and the St. Lawrence Global Observatory have developed a new data entry system and marine mammal training program, which will be available to seafarers in 2021. These tools will help us expand the number of CSL vessels participating in this initiative.

Speed Reduction Policy

In 2019, the deaths of nine North Atlantic right whales were reported in the Gulf of St. Lawrence. In response to this critical situation, CSL reinstated its policy requiring all ships to operate at less than 10 knots speed over ground, at all times, in the dynamic shipping sectors of the Gulf of St. Lawrence. A voluntary speed restriction of 10 knots in the Cabot Strait was also implemented in 2020 from April 28 to June 15, and from October 1 to November 15. With these restrictions in place, CSL is going above and beyond Transport Canada’s regulations, which require vessels to reduce their speed to 10 knots only in areas where whales are spotted.

Collaboration with WWF to Advance Research on Whales at Risk in the Gulf of St. Lawrence

In 2020, CSL collaborated with World Wildlife Fund Canada to support an investigation by the Marine Animal Response Society (MARS) into long-term trends in marine mammal incidents. The research seeks to improve our understanding of the impact of fishing and shipping on marine life, and the potential implications for these sectors.

The report demonstrates that the number of dead animals is increasing, and that the Gulf of St. Lawrence is a hotspot for the death of large whales. The report stresses the urgent need for funding to further analyze the causes of death and the need for proactive management to mitigate fishing and shipping impacts to all whales at risk.

Improving Southern Resident Killer Whale Habitat

In 2020, CSL Americas participated in the Port of Vancouver’s Enhancing Cetacean Habitat and Observation (ECHO) voluntary vessel speed reduction initiative to protect Southern Resident killer whales. With an industry participation rate of more than 90 percent, the program has reduced ambient noise, which is known to increase killer whale stress levels and affect their movements. CSL Americas will continue to participate in the ECHO program in 2021.
**Underwater Noise: Understanding Our Impact**

As a producer of anthropogenic underwater noise, the marine shipping industry has a responsibility to understand and reduce the impacts of noise on marine mammals, who use sound to reproduce, communicate, feed and navigate.

CSL has actively sought ways to reduce the noise emitted by ships. Our efforts have included installing main engines on resilient mounting and propeller boss fin caps, both measures recommended in the IMO’s 2014 Guidelines for the Reduction of Underwater Noise From Commercial Shipping.

**Cavitation Monitoring System Installed on Ferbec**

During the winter lay-up, a cavitation monitoring system was developed and installed on board the bulk carrier *Ferbec* to better understand the extent of underwater noise emitted by the vessel. Because cavitation accounts for about 80 to 85 percent of the underwater noise a ship produces, the new monitoring system gives the captain real-time information on the extent of cavitation and associated noise.

The system consists of pressure sensors and an accelerometer to measure water pressure fluctuations in the direct vicinity of the propeller. The installation involved welding from the inside and drilling three holes into the bottom plating above the propeller.

In spring 2021, CSL aims to collect cavitation data via a hydrophone, to measure the underwater noise *Ferbec* emits at different speeds. The data will allow us to identify changes in cavitation initiation and understand the differences associated with fresh and salt water, weather conditions, draft, trim, and other operating conditions. In the fall of 2021, once the software is finalized, the cavitation state will be fed to the O2 system. The purpose of this phase will be to provide *Ferbec’s* bridge crew with a prediction of their noise level in real time, to determine whether they can minimize cavitation when operating in critical areas inhabited by at-risk whales.
Proud Partner of the Marine Acoustics Research Station

After more than three years of development, a world-class marine acoustic research station will open in the spring of 2021 on the St. Lawrence River near Rimouski. The station will consist of 12 hydrophones managed by the Institut des sciences de la mer and Innovation maritime.

The idea for an acoustic station was born during a workshop on underwater noise in 2018, when the maritime industry identified the pressing need to increase our knowledge of the impact of vessel noise on marine mammals. The MARS project aims to measure ship noise levels and identify the sources according to the way vessels are operated. The goal is to develop ways to reduce noise and mitigate its impact. The project is a fine example of collaboration within the industry to ensure a harmonious cohabitation between maritime transport and marine mammals.

Marine protected areas are part of CSL’s marine mammal management plans for all major trading routes. Our management plans include mapping sensitive whale habitats, outlining the types of species vessels may encounter and providing instructions on what to do if a whale is sighted.

These areas are also included on electronic vessel chart overlays to inform crews when they are entering a protected zone. As per CSL protocol, crews cannot discharge treated sewage and oily water, grey water and waste in these sensitive areas, even if there are no external regulations prohibiting these discharges.
PARTNERSHIPS TO PROTECT WHALES

CSL is proud to work in partnership with the following organizations, whose important work supports the protection of whales and other marine mammals.

- World Wildlife Fund
- Transport Canada
- Marine Mammal Observation Network
- Marine Animal Response Society
- MeRLIN
- Green Marine
- Fisheries and Oceans Canada
- Dalhousie University
- Université du Québec à Rimouski
- Institut des sciences de la mer de Rimouski
- Innovation maritime
- Parks Canada
- Canadian Whale Institute
- Group for Research and Education on Marine Mammals

<table>
<thead>
<tr>
<th>CSL 2030 Goal</th>
<th>Progress in 2020</th>
<th>Moving Forward</th>
</tr>
</thead>
<tbody>
<tr>
<td>▶ Zero oil spills</td>
<td>▶ Installed two ballast water treatment systems in the global fleet</td>
<td>▶ Install six ballast water treatment systems</td>
</tr>
<tr>
<td>▶ Reduce the risk of marine aquatic invasive species transfer</td>
<td>▶ Complied with mandatory speed restrictions to protect the North Atlantic right whale</td>
<td>▶ Collect data via the Marine Acoustics Research Station on the St. Lawrence River</td>
</tr>
<tr>
<td>▶ Understand the impact of vessel underwater noise on marine mammals and actively work to reduce it</td>
<td>▶ Installed oily water discharge protection units</td>
<td>▶ Collect data via the cavitation monitoring system and determine if measures to minimize cavitation can be implemented</td>
</tr>
<tr>
<td></td>
<td>▶ Participated in the development of the Marine Acoustics Research Station (MARS) on the St. Lawrence River</td>
<td>▶ Complete discharge protection unit installations globally</td>
</tr>
<tr>
<td></td>
<td>▶ Installed a cavitation monitoring system</td>
<td>▶ Continue to participate in underwater noise policy work with Transport Canada and the Department of Fisheries and Oceans</td>
</tr>
</tbody>
</table>

Sustainable Development Goals

14 LIFE below water
17 PARTNERSHIPS FOR THE GOALS
CSL continues to make progress on enacting a holistic approach to waste reduction and recycling. Our approach considers the entire lifecycle of a vessel, rather than onboard consumption alone. Long-term relationships with our partners and suppliers, and a high level of collaboration and input from our stakeholders, are the keys to managing our resources skillfully and minimizing our environmental footprint.
CSL is committed to ethical and responsible ship recycling, as outlined in our Ship Recycling Policy, in place since 2009. We recognize the environmental and safety risks associated with ship dismantling. As a result, we are committed to meeting the highest standards when recycling ships that are at the end of their useful lives. Those standards go beyond current regulatory requirements. Working with ship recycling experts, we vet and audit shipyard facilities to ensure approved yards meet all international and internal requirements, and are ISO 9001-, ISO 14001-, ISO-30000- and OHSAS 18001-certified.

In 2020, we recycled the vessels *CSL Rhine*, *Salarium* and *Acacia* at approved recycling facilities in Turkey and Indonesia, in accordance with local legislation, international conventions and CSL’s Ship Recycling Policy.

During the dismantling process, our ship recycling expert provides us with detailed weekly progress reports. The reports include audit findings and follow-up actions taken by the yards.

Through our third-party ship recycling partner, we recycled a vessel in Indonesia for the first time. Finding responsible options for ship dismantling in Southeast Asia is challenging. That challenge has increased due to the closure of Chinese ship recycling yards to foreign vessels. Thanks to Grieg Green’s yard-vetting, support and oversight during the dismantling process, we are confident we can continue to find safe, responsible options for recycling our vessels.
Inventory of Hazardous Materials

To comply with the EU Ship Recycling Regulation, 83 percent of ships in CSL’s fleet carry a Part 1 Inventory of Hazardous Materials (IHM). This document lists all hazardous materials, including mercury, asbestos, PCBs and radioactive substances, contained in the ship’s structure or equipment.

Once at the recycling yard, managing hazardous waste planning is completed according to the inventory, which is preliminarily approved by Class of ship. HazMat experts remove all hazardous materials before dismantling the rest of the ship. The materials are transported to licensed recycling facilities.

As part of the Green Marine program, CSL has developed and implemented a hazardous material removal plan. Over the last five years, we have removed 36 cubic meters of asbestos throughout the fleet.

Green Marine Working Group on Ship Recycling

CSL is a key member of the Green Marine Working Group on Ship Recycling and an active participant in the development of the new Green Marine performance indicator for ship recycling. This new indicator is the result of 18 months of collaboration among the industry, environmental organizations, the scientific community and government representatives. The new performance indicator is more stringent than the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, which is awaiting ratification by member states. Although meeting the standard is optional during the first year of introduction, CSL has already adopted it.
In 2019, CSL joined IMPA ACT, a not-for-profit program founded in 2016 by the International Marine Purchasing Association. The program commits its members – shipowners, operators, and suppliers – to demonstrating responsible supply chain management and corporate social responsibility. The core of the IMPA ACT initiative is the Supplier Code of Conduct (SCoC), a set of social, environmental and governance principles based on internationally endorsed minimum expectations for businesses.

To align ourselves with the SCoC, we have developed our own Supplier Code of Conduct, completed a supplier assessment, and amended our Code of Corporate Responsibility to better represent our commitment to respecting human rights. Our codes reflect the 2011 UN Guiding Principles for Business and Human Rights (UNGPs) and the 10 universal principles of the UN Global Compact.
CSL Joins IMPA SAVE Initiative to Reduce Use of Plastics on Board Ships

CSL has joined the IMPA SAVE initiative, another program developed by the International Marine Purchasing Association. IMPA SAVE’s goal is to reduce the use of plastic water bottles on board ships by 2025. The project reflects the United Nations’ 2030 Agenda for Sustainable Development, addressing the urgent need to reduce the use of the plastics threatening ocean life and the planet as a whole.

On average, CSL’s fleet consumes more than 150,000 bottles of water annually. We are proud to add our vessels to the 5,700 others that share our concerns. We know a plastic bottle takes at least 450 years to degrade completely in a landfill and can become highly toxic to marine animals if it is broken down into microplastics in our oceans. CSL is committed to reducing our consumption of single-use plastics and to finding safe, cost-effective alternatives to water bottles for our crew members that will help us protect the planet.

Onboard Recycling as Percentage of Total Waste

In 2020, we recycled 28 percent of total waste on CSL ships, which is 55 percent towards our 2030 goal.

Crew-Produced Waste to Landfill Per Operational Day (m³)

In 2020, CSL reduced crew-produced waste per operational day by 1 percent compared to 2019, which is 52 percent towards our 2030 goal.
CSL is committed to reducing, reusing, recycling and properly disposing of the waste we produce, according to the principle of a circular economy. We work closely with suppliers, waste managers and ports to identify new waste-reduction opportunities.

Our waste management system governs our waste-related procedures, including the collection, sorting, recycling, storage and disposal of waste. For vessels conducting short voyages, we are gradually moving away from incinerating waste. Instead, we are freezing organic materials and storing garbage on board for later recycling. We have identified these new practices as an opportunity to create added value from the waste we produce.

We have also developed an environmental procurement guideline for cleaning products to reduce the toxicity of our waste. When purchasing cleaning products, we consider those that are certified environmentally friendly or free of chlorine/phosphates/nonylphenols.

### CSL 2030 Goal

<table>
<thead>
<tr>
<th>CSL 2030 Goal</th>
<th>Progress in 2020</th>
<th>Moving Forward</th>
</tr>
</thead>
<tbody>
<tr>
<td>▶ Produce 75 percent less shipboard waste than in 2010</td>
<td>▶ Achieved 52 percent of 2030 goal in annual total waste to landfill reductions</td>
<td>▶ Communicate Supplier Code of Conduct to main Canadian suppliers</td>
</tr>
<tr>
<td>▶ Increase shipboard recycling by 50 percent</td>
<td>▶ Achieved 55 percent of 2030 goal in total ship waste recycling</td>
<td>▶ Complete inventories of hazard materials on seven more vessels in 2021</td>
</tr>
<tr>
<td>▶ Conduct environmental impact assessments of critical suppliers</td>
<td>▶ Installed water fountains</td>
<td></td>
</tr>
<tr>
<td>▶ Work with others to pursue circular economy opportunities</td>
<td>▶ Amended the CSL Code of Corporate Responsibility to better represent our commitment to respecting human rights in accordance with our Supplier Code of Conduct</td>
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</tr>
</tbody>
</table>

### Sustainable Development Goals

- [12 Responsible Consumption and Production](#)
- [8 Decent Work and Economic Growth](#)
- [14 Life Below Water](#)
TRANSFORMING THROUGH DIGITALIZATION

As part of CSL’s transformation journey that began in 2019, we are leveraging digital technologies to address the rapidly changing dynamics affecting our industry and markets.

By investing in the building blocks of an agile corporate culture today, we aim to create a responsive organization that can evolve, grow and adjust to changing market conditions such as the COVID-19 pandemic.

Despite the unprecedented impact the pandemic has had on all sectors of the economy, we have not swerved from our commitment to investing in people, training and technology. We firmly believe that technology – supported by processes and people – will enable our long-term prosperity and stability.

One year into our transformation journey, we are already making headway in optimizing our operations to drive value for our customers, employees and partners.
ENABLING LONG-TERM VALUE

CSL’s digital transformation plan is grounded in our vision for the company in 2025. Our objective is to equip our business and people with the right technologies, tools, skills and training, enhance customer service, increase fleet safety and efficiency and improve the way we work.

The investments we are making in data-driven projects are providing valuable insights from ship and shore sources that are helping us streamline, automate and optimize processes across the organization.

Our vessels are large data centers which, until recently, were difficult to leverage because of communication limitations and a lack of system integration. Thanks to new technology applications available through our Operational Optimizer (O2) real-time data monitoring platform, we are unlocking new value for our customers and employees, and becoming a leader in supply chain logistics. Modernizing the systems on our ships and digitizing our processes to assist our crews are at the core of our O2 Program.

Developments in Our Digital Transformation

In 2020, CSL continued to invest in technologies and applications to build a strong foundation for future innovation, most notably O2. We also progressed in projects to enhance and standardize back-office technologies to align our business units and create efficiencies throughout the organization.

The planned deployment of our O2 technology on board the global fleet was challenged by supply chain disruptions and travel bans due to the COVID-19 pandemic. In this context, the team focused on increasing O2 functionalities on the 16 Canadian vessels already equipped with the sensor network.

These new functionalities include:
- improved analytics capabilities for fuel consumption from onboard consumers compared to historical baselines;
- the addition of sensitive marine habitats for whales in the O2 dashboard to aid crew awareness;
- enhancements to the pilotage trip tracker that helps seafarers efficiently track training trips.

Benefits of O2

Crew members and office staff are connected through real-time digital dashboards that help CSL conduct more efficient, safe and environmentally responsible operations.

For the Crew
O2 eases the management of environmental compliance, speed limits, pilotage, fuel efficiency, fuel sounding, prediction of estimated time of arrivals and cargo uplift.

For Office Personnel
O2 provides real-time visibility on a single source of truth for vessel situational awareness, updates them on fuel remaining on board, and tracks estimated arrival times.
The next step in CSL’s digital evolution is a focus on asset management. We are working on leveraging the output from the O2 platform to develop a strong, data-driven maintenance program that will allow us to increase efficiency and reduce our operating costs. These capabilities and this technological framework can evolve to leverage artificial intelligence and machine learning.

Already, the O2 program is optimizing commercial activities, technical operations and back office support. For example, a key project for completion in 2022 is a new customer portal for sharing O2 data with our customers.

This portal will give customers private access to real-time information about vessel schedules, tonnage and costs associated with the transportation and handling of their cargo.

In 2021, CSL’s digital transformation will be focused on three main areas:
- digitalization of customer information sharing with real time updates on product shipments and voyage-related information;
- modernization of daily fleet management tools;
- predicative analytics capabilities for O2.

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**O2 Key Performance Indicators — January to December 2020**

<table>
<thead>
<tr>
<th>ENERGY MANAGEMENT</th>
<th>COMPLIANCE</th>
<th>PROCESS DIGITALIZATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.9% Outperforming Benchmarks</td>
<td>16 OWS Avoided Infringements</td>
<td>7,269 Fuel Soundings</td>
</tr>
<tr>
<td>224.4 MT Fuel Saved</td>
<td>2,000 Navigation Warnings</td>
<td>2,000 ETA Broadcasts</td>
</tr>
<tr>
<td>11 Analytics Investigations</td>
<td>19,719 Pilotage Trips</td>
<td>2,000 Cargo Uplifts</td>
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<tr>
<td></td>
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<td>27% In Red Bridge Condition</td>
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</tbody>
</table>
ETHICS AND INTEGRITY

Integrity is a fundamental CSL value, and the foundation of our business. We promote a fair and honest culture and our employees are champions of high ethical conduct and comply with all laws and regulations.

Our employees understand that they cannot compromise when it comes to ethical conduct. This is why we are recognized as an industry leader in all areas of legal and ethical compliance.
CSL’S CODE OF CORPORATE RESPONSIBILITY

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

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

Compliance with Laws and Regulations

Our strict compliance program and a skilled team ensure we carry out our business in compliance with the laws and regulations of the countries in which we operate.

All dealings between CSL employees and public officials are conducted in a manner that upholds the integrity and reputation of the officials and of CSL. In addition to observing all laws applicable to individuals and CSL, all our employees are expected to uphold CSL’s ethical standards.

The United Nations Global Compact and Collective Action

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

Fighting Corruption

Since introducing our Anti-Corruption Program, CSL has been at the forefront of the movement to end bribery, extortion and corruption in the shipping industry. The Program’s objective is to ensure CSL’s business operations are corruption-free. We achieve this objective through four components:

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

Now in its tenth year, the Program is entrenched in our corporate mindset and we incorporate regular training and due diligence into our daily operations.
Human Rights

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

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

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

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

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

Maritime Anti-Corruption Network

CSL is a leading member of the Maritime Anti-Corruption Network (MACN), a global business network dedicated to eliminating corruption in the marine industry. CSL’s Chief Legal and Compliance Officer serves as Chair.

Since its inception in 2011, MACN has grown to more than 150 members globally. Those members represent more than half of the world’s shipping industry. The network has become a pre-eminent example of an industry-led organization taking collective action to eliminate corruption across the maritime industry and the wider supply chain.
Whistleblowing

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

In 2020, five reports of alleged breaches to CSL’s policies and commitments were received through the whistleblowing system. Below is a summary of the complaints and the actions we took.

EthicsPoint Hotline

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

Submit a report online at www.cslships.com/ethicspoint or call toll-free in Canada and the United States, 1-866-384-4277.

2020 WHISTLEBLOWING REPORTS AND ACTIONS

<table>
<thead>
<tr>
<th>Nature of Complaint</th>
<th>Number of Complaints</th>
<th>Number of Breaches Detected</th>
<th>Number of Corrective Actions</th>
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<tr>
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<tr>
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</tr>
<tr>
<td>Violence or Threat</td>
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<tr>
<td>Other</td>
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</tbody>
</table>
Integrity Training

CSL employees received integrity training in 2020 to increase their awareness of the dynamics and impact of corruption, and to provide them with the tools and insight necessary to identify and address risks.

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

Our Commitment | Progress in 2020 | Moving Forward
--- | --- | ---
▶ Consistently and rigorously uphold the highest ethical standards in every aspect of the business
▶ Ensure all employees and agents are educated about and comply with policies, laws and ethical conduct
▶ Chaired the Maritime Anti-Corruption Network
▶ Provided ethics training to all shore-based employees
▶ Provided MACN Anti-bribery training (“Stand Your Ground, Be a Leader”) to all vessel operations staff and masters
▶ Trained Operations teams on strict compliance with the Anti-Corruption Program
▶ Provided training to designated employees on investigation techniques for harassment complaints
▶ Investigated two reports filed through anonymous whistleblowing and three complaints reported directly within CSL. Reports were treated appropriately and reported to the Audit and Risk, and Human Resources Committees of the Board of Directors.
▶ Take industry leadership role in combatting corruption in all its forms worldwide
▶ Provide education and training on ethical conduct and legal compliance on board vessels as part of onboarding new employees
▶ Ensure all employees shoreside and on board vessels are educated and trained on the prevention of harassment and workplace violence

Sustainable Development Goals

16 Peace, Justice and Strong Institutions
17 Partnerships for the Goals
The global COVID-19 pandemic affected our market and our operations, but it also affected our ship- and shore-based personnel. Employees around the world had to rethink how to work and adapt to a new working environment on our vessels and at home. Our challenge was to keep all employees safe, productive, engaged and focused on our mission: delivering the perfect shipping day.

Early on in the pandemic, CSL acted quickly to adapt its work environment to ensure employees were well supported and equipped with the tools and resources necessary to contribute and thrive, even in the uncharted waters of the unfolding crisis.
KEEPING OUR CREWS SAFE AND HEALTHY

Adapting to a Remote Work Environment

CSL office employees around the world continued to provide support and guidance to our crews and vessels by adapting to a remote work environment. Wherever they worked, CSL employees had access to resources, including virtual ergonomic training and mental health and wellbeing seminars, to help them optimize their work from home. They also were able to stay informed on company news and developments through new communications tools, including CSL Dispatch. Distributed daily via email, CSL Dispatch created a sense of continuity and community among employees around the world by providing an outlet for sharing important business, fleet and project updates as well as safety, wellbeing and social content. To compensate for the rich social environment of the office, a sense of community was recreated online through virtual social activities, which allowed employees to connect informally and strengthen the bonds between teams and colleagues.

Online Healthcare

In 2020, CSL introduced an online healthcare program in regions where the service is available. Through this service, employees and their families can consult online with healthcare professionals using a smartphone or computer. Virtual consultations can meet the following needs:

- Diagnostics
- Advice
- Prescriptions (new or renewals)
- Orders for laboratory and imaging services
- Referrals to specialists
- Mental health support

For CSL seafarers, the COVID-19 pandemic brought a new set of risks and safety hazards on top of the existing challenges inherent to the ship environment. Seafarers had to rethink how to conduct safety and compliance training while respecting COVID-19 restrictions and protocols. Employees ashore and on board worked together to develop a contingency training plan that relied on ship board trainers. This plan allowed seafarers to conduct critical Lifesaving Rules and vessel equipment training. Being away from family and loved ones during such an uncertain time also proved challenging for many seafarers. To help them cope with the unprecedented circumstances, CSL made a number of resources available, including online counselling and support, and created new online communication channels for socializing with family and friends.
Virtual Learning

Despite the training limits resulting from COVID-19-related restrictions, CSL employees spent an average of 23 hours on e-learning and training in 2020. Through the CSL Academy Learning Portal, CSL continued to offer employees access to virtual training on practical topics such as project management, data analytics, presentation skills and time management. E-learning modules were also made available on a variety of topics such as communication, virtual collaboration, leadership and much more.

Skills Training for Seafarers

Through a partnership with Georgian College, CSL developed an extensive Winter Training Program in Canada, enabling seafarers to develop critical skills to advance their careers. The program was rolled out in compliance with very strict health and sanitary COVID-19 protocols. In total, 62 crew members obtained 133 qualifications in various courses such as Pilotage Training, Basic and Advanced Ship Handling and Leadership Management Skills.

From Unlicensed Crew to CSL Officer

The career path leading to certain seafaring positions can be challenging, especially when a return to college is necessary. In this context and to proactively support the professional development of our crew members, a new assistance program was launched for permanent unlicensed crew who would like to become officers. In its first year, the program will be offered to two employees – one Deck and one Engineer – with the number of opportunities increasing over time. For selected participants, CSL will collaborate with marine schools to develop an intensive year-long program.

Top Employer 2020

During a period of unprecedented challenges, CSL is proud to have been named one of Montreal’s Top Employers for a second consecutive year. The award recognizes CSL for its progressive employee programs that put safety and well-being first, advance professional development and growth, promote a culture built on shared values, and provide exceptional health and financial benefits. Montreal’s Top Employers is an annual competition that recognizes Montreal-area companies that lead their industries in offering exceptional work environments.
Partnering to Promote Seafaring Careers

CSL has partnered with the Anishinabek community, Georgian College and the Seafarers’ International Union (SIU) to launch an Unlicensed Training Program to inspire new talent in the industry. Three unlicensed trainees were selected to participate in basic training at Georgian College in October 2020. CSL hopes to continue to grow and develop the Program to promote seafaring careers in other Indigenous communities across Canada.

Employee Engagement Score

The new virtual workplace provided us with ways to improve our management practices, which contributed to an overall 0.3 percent increase in our employee engagement score on the Officevibe platform in 2020 compared to 2019. Employees continued to provide critical feedback, which served as the basis for improvements to CSL’s work environment.

Representation of Women Across the Company

<table>
<thead>
<tr>
<th>Category</th>
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</thead>
<tbody>
<tr>
<td>Senior Management</td>
<td>25%</td>
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<tr>
<td>Management</td>
<td>34%</td>
</tr>
<tr>
<td>Professional and Technical Operations</td>
<td>39%</td>
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<tr>
<td>Support Staff</td>
<td>85%</td>
</tr>
<tr>
<td>Canadian Crew*</td>
<td>7%</td>
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</tbody>
</table>

*Women are significantly underrepresented in the maritime industry, accounting for only two percent of the world’s seafaring workforce. This presents a challenge for recruitment and retention in roles requiring marine education and experience.

Age Representation Ashore

<table>
<thead>
<tr>
<th>Range</th>
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<tr>
<td>30-50</td>
<td>61%</td>
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<tr>
<td>&gt; 50</td>
<td>29%</td>
</tr>
</tbody>
</table>

7.7 / 10
Very good
△ 0.3 pt in the last year
In 2020, CSL’s Canadian Cadet program was revamped to enhance and standardize training for up-and-coming seafarers. Onboard ship management and their cadets received detailed training guides outlining the training requirements to become CSL officers. Cadets selection in 2021 will be made with the objective to recruit cadets to be part of the officer core.

**Our Commitment**

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

**Progress in 2020**

- Conducted succession and development planning process
- Completed the crew transformation project and delivered key initiatives
- Significantly improved the Canadian crew training compliance rate
- Implemented a new telemedicine program
- Deployed high potential leadership development program
- Strengthened partnership with Indigenous communities to attract and recruit talent
- Improved cadet onboard training program
- Provided customized engagement data dashboard for managers to strengthen team engagement
- Provided strategic change management support for key transformation projects
- Launched global CSL Core Values Awards recognition program

**Moving Forward**

- Enhance Lifesaving Rules training on board
- Improve crew experience in Australia
- Plan safe and healthy return to the office
- Deploy learning to improve commercial excellence
- Optimize processes and use of employee data
- Accelerate CSL succession for key positions
- Strengthen talent acquisition function and practices
- Launch a change management toolbox for key projects
- Improve system infrastructure to increase efficiency of global crewing practices
- Optimize payroll systems and processes
- Accelerate leadership skills development for onboard leaders

**Sustainable Development Goals**

- Gender Equality
- Decent Work and Economic Growth
At CSL, we strive to make a positive difference in the world.

We are accountable for the social and environmental impact of everything we do, and we endeavour to be a good neighbour and a responsible corporate citizen at all times.

One of the ways we translate those values into action is through our corporate giving and employee volunteer activities. We focus on three main pillars: education, the environment, and social affairs, which includes the arts and cultural activities, community outreach, and health and human services.

Our goal is to build trust and foster respectful relationships with our stakeholders and the people who live where we work. Our employees are proud of the ways we give back. Their support is critical to the success of the projects we undertake.

Every year, we donate approximately one percent of our net profit (before extraordinary items) to charitable causes and disaster relief.

During the pandemic, it became more challenging to participate in volunteer activities with local charities and not-for-profit organizations in the regions and communities where we operate.

Still, we found creative ways to give back.
Investing in the next generation of seafarers is one of CSL’s passions. Every year, we provide scholarships and bursaries to students at maritime colleges around the world – some of whom eventually choose careers with CSL.

The Institut maritime du Québec, the British Columbia Institute of Technology, Georgian College, the Marine Institute of Memorial University, the Nova Scotia Community College, the Massachusetts Maritime Academy, the Maine Maritime Academy, the Australian Maritime College and the Marine Society & Sea Cadets in the United Kingdom are among the institutions whose students we support.

Qualified students at maritime schools in Canada, Australia, the Philippines and the United Kingdom can also receive cadetships with CSL. On shore, we host student interns in many of our departments, from Accounting to Technical Operations.

The Next Generation

In 2020, CSL donated $100,000 to the Fondation de l’Institut maritime du Québec (IMQ) to support a major infrastructure campaign and reinforce the maritime character of the college. Part of the donation was distributed in the form of scholarships and financial assistance to build a quality succession for our industry. CSL’s donation will also be used to redevelop Le Phare, a workspace and lounge used by students.

The IMQ is the province of Québec’s leading maritime college and an important contributor to CSL’s workforce, particularly in the areas of marine engineering and naval architecture.

Thank You Frontline Workers

CSL vessels in Canada and Australia displayed banners thanking frontline workers for their dedication, courage and personal sacrifice during the pandemic. The banners are a tribute to those who saved lives, risked their own, kept our economies going and helped us all get through this.
At CSL, we are committed to supporting research, education and conservation projects, as well as organizations that protect marine wildlife and their habitats. Environmental stewardship lies at the heart of our philanthropic activities.

Organizations that we support include: the World Wildlife Fund, the Canadian Whale Institute, Salem Sound Coastwatch, the Group for Research and Education on Marine Mammals and the National Marine Life Center, a marine animal hospital and education centre in Massachusetts.

Coastal Cleanup in Montreal

In partnership with Urgence Marine, Kildair, Fednav and Montreal Youth of Shipping, CSL employees and their families participated in the Great Canadian Shoreline Cleanup 2020. The event took place over two kilometres on the banks of the St. Lawrence River. Along with a multitude of aluminium cans and other beverage receptacles, articles of clothing, scissors, a “treasure” chest and various other articles were found and responsibly discarded. This is CSL’s 12th participation in the Great Canadian Shoreline Cleanup.

Supporting Salem Sound Coast Watch

The CSL Americas team based near Boston, Massachusetts has been supporting Salem Sound Coast Watch (SSCW) for nearly a decade. SSCW is a non-profit coastal organization whose mission is to protect and improve the environmental quality of Salem Sound and its watershed. Through donations and volunteer efforts, CSL has helped raise awareness about the Salem Sound watershed and protect it.
Support for the Protection of Whales and Marine Mammals

CSL’s support and involvement with organizations that work to protect and conduct research on North Atlantic right whales and other marine mammals continued in 2020. This work includes research on the distribution of North Atlantic right whales in the Gulf of St. Lawrence, the development of educational tools for seafarers and measures to reduce the risk of collision with vessels.

Catch the Wave Challenge

CSL employees across the globe participated in the Catch the Wave challenge, a fundraising sports challenge that united ship and shore teams in the fight to find a cure for leukemia, lymphoma, Hodgkin’s disease and myeloma, and improve the quality of life of patients and their families.

Using the online platform Racery, teams of CSLers from all regions joined a virtual race that had them compete through major CSL trading routes in Australia, Europe, the St. Lawrence River and the West Coast of Canada and the United States. Teams also organized several fundraising events that resulted in a donation of $59,000 to the Leukemia and Lymphoma Society of Canada, well above CSL’s original goal set at $30,000.
COMMITTED TO OUR COMMUNITIES

Food banks, domestic violence shelters, hospitals, disaster relief agencies, cultural organizations and the arts are among the causes CSL gives to through our charitable giving, fundraising support and employee volunteer hours.

In 2020, we supported Moisson Montréal, the Mission to Seafarers, the Red Cross, the CHU Ste-Justine Foundation, Beverly Bootstraps, the Open Door, the Breakfast Club of Canada, the Starlight Foundation, the Community Giving Tree, Berkshire Community Foundation, Kirkens Bymisjon, the Scottish Shipping Benevolent Association and the Norwegian Sea Rescue Society.

Helping our Employees Help

Every year, CSL’s Donations Committee establishes a budget for philanthropic giving and evaluates the requests we receive for help, based on specific criteria established by the Committee.

A portion of that budget goes to match employee gifts, up to CAN$250 per employee, to educational institutions, sponsorships, or other fundraising efforts. We promote and support our employees’ efforts to volunteer and give back to their communities.

Hunger Relief in Our Communities

In 2020, CSL continued to support charitable organizations that gather and distribute food donations and essential products to people in need, including Moisson Montréal in Canada, which had to quickly adapt to the evolving circumstances of the pandemic.

Since the beginning of the pandemic, Moisson Montréal has distributed over $117 million worth of food aid to organisations in Montreal and food banks across Canada, representing an increase of $36 million compared to the previous period.

In the Boston area, the CSL Americas team was busy with fundraising efforts to support local food banks such as the Open Door Food Pantry and Beverly Bootstraps. Funds raised contributed to preparing and delivering much needed food baskets to area families during the Holidays and winter clothing for children.

In the wake of Hurricane Eta, which severely impacted Central American countries where CSL employees and customers have ties, CSL supported Food for the Poor, a Miami-based organization providing food, shelter and emergency supplies to those affected by the hurricane.
CSL’s Adopted Beluga Spotted

Despite the challenges of the pandemic, the Group for Research and Education on Marine Mammals continued its whale identification work from land and from two research boats. Among the 24,000 photos of belugas taken over the summer of 2020, Annakpok, the beluga adopted by CSL in 2018, was identified and photographed at least four times at Pointe-Noire, Québec. In one instance, she was spotted in a group that included four or five calves and an older female, suggesting at least three generations of belugas swimming together.

Ride for Multiple Sclerosis

An enthusiastic group of CSL employees participated in a day of cycling to raise funds for Multiple Sclerosis (MS), a disease that attacks the nervous system and affects vision, balance, memory and mobility. The team, called “CSL on Wheels,” cycled up to 64 km in the Eastern Townships of Quebec and raised $11,540 for MS care and research.
Our Commitment

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

Progress in 2020

- Donated one percent of net profit (before extraordinary items).
- Donated $100,000 to the Institut maritime du Québec.
- Continued to support whale protection and research.
- Donated $59,000 raised by employees to the Leukemia and Lymphoma Society of Canada.
- Continued to support food banks in Canada and the United States.

Moving Forward

- Increase participation in the CSL Matching Gift and Employee Sponsorship Program.
- Increase employee participation in volunteer and community engagement initiatives.
- Educate employees on the impact of CSL’s philanthropic efforts.
The COVID-19 pandemic affected all areas of CSL’s business in 2020. CSL’s commercial team responded by working closely with customers to support them through supply chain disruptions while ensuring the safety of seafarers, stevedores and other front-line workers. New protocols were established to limit physical interaction between all parties, enhance communication and mitigate the effects of outbreaks and logistical disturbances.

Despite the headwinds encountered last year, we maintained a strong focus on keeping employees safe and reducing our environmental footprint. From new vessels to alternative fuels, we invested in a safer, more sustainable future.

We believe these investments will ensure the longevity of our company and our customers’ businesses. We look forward to working with our customers to find new ways to create value while mitigating the impact on our environment.
An essential part of CSL’s business strategy includes developing customized solutions designed to serve our customers’ specific needs.

**CSL Builds Cutting-Edge Ship to Service Windsor Salt**

CSL partnered with customer Windsor Salt to build a new state-of-the-art 26,000 DWT self-unloading ship that will chart new waters in safe, sustainable and efficient shipping in the Gulf of St. Lawrence and the Great Lakes.

Leveraging their shared values of safety, sustainability and innovation, Windsor Salt and CSL began construction of the custom-made vessel in August 2020 after several years of collaborative planning, which included an environmental impact analysis, ship and shore personnel safety reviews, an efficiency evaluation of cargo operations, and navigational optimization.

The distinctive, purpose-designed vessel was created to service Windsor Salt’s need to deliver deicing salt from its Mines Seleine salt mine on the Magdalen Islands to stockpiles in Eastern Canada.

The new vessel will bring a long-term, safe, sustainable and reliable shipping solution to the region that relies on the Mines Seleine salt mine.

The vessel is expected to begin operating in the Magdalen Islands at the start of the 2022 navigation season.

For more information about the project, visit mvNukumi.com

“Through our partnership with CSL, we wanted to prove not only that we could – but we should – strive for better, because it’s important to challenge the status quo, especially when we have the opportunity to reduce our environmental impact and improve safety while delivering the de-icing salt Canadians know and trust.”

– Tom Labash, Marine Distribution Manager, Windsor Salt
How Are We doing?
Tracking Customer Satisfaction

Since 2016, CSL has conducted an annual survey with customers to enhance our understanding of their needs and serve them better. Using this feedback, CSL has been able to improve its score each year, with the 2020 survey yielding a net promoter score of 8.94 out of 10. Our safety practices, customer service and environmental responsibility were the three highest rated criteria.

CSL-Hartmann Takes Delivery of M/V Starnes

M/V Starnes, the first of two CSL-Hartmann joint venture ships built at Chengxi Shipyard, was successfully delivered on August 10, 2020.

The vessel can self-discharge at a rate of 5,500 tph and is equipped with a 90.5 metre boom, which is one of longest and largest ever built for a self-unloader. The self-unloading system can handle lump sizes up to 300 millimetres and free-flowing materials with a bulk density in the range of 1.2-3.5t/m³, representing a significant improvement in efficiency. Starnes is fitted with energy-saving hub fins, an exhaust scrubber and a ballast water treatment system that complies with IMO and USCG standards.

The ship is the first of two in the CSL-Hartmann joint venture agreement. The vessel joins a fleet of six other Hartmann self-unloading ships with 172,000 tonnes of loading capacity. They transport aggregates on routes throughout Europe. This vessel will carry aggregates between Norway, Germany and the United Kingdom.
Ship Noise Reduction at Glebe Island

On January 1, 2021, the Port Authority of New South Wales implemented a protocol establishing noise trigger limits for vessels unloading at Glebe Island – 60dBA during the day and 55dBA at night – at specified locations close to residential properties.

CSL Australia transports gypsum, cement and fly ash to Glebe Island in the pneumatic cement carriers Akuna, Wyuna, Luga and Kondili, as well as hybrid self-unloaders Elanora, Adelie and CSL Reliance.

Maintaining the flow of goods for customers without disturbing the area’s residents was a major priority for CSL in 2020. To reduce the level of noise emitted from vessel operations and respect the Port’s new protocol, CSL engaged with on-site customers, the community, and the Port Authority to arrive at an optimal solution. Extensive design and testing work in 2020 enabled CSL to complete noise attenuation retrofits on Akuna and Wyuna in February and March 2021, with minimum interruption to our customers’ supply chains. Further work will be carried out on the rest of the fleet throughout 2021.

The attenuation retrofits involved installing additional generator silencers and acoustic barriers, including acoustically treated walls/panels, attenuators, vibration isolation mountings, and enclosing compressors – with the objective of decreasing high frequency sound over long distances. Retrofitted vessels now operate below the required noise limits, minimizing impacts on surrounding communities.

By the time the retrofits are completed, CSL will have invested more than AU$1.5 million in this project, including a significant contribution from our customer, Cement Australia.

About Glebe Island

Sydney Harbour is a natural deep-water harbour, which has been used as a working port for more than 200 years. Glebe Island, once a rocky outcrop, was levelled in 1912 to build wharves for discharging and storing grain and cement.
Improving Fleet Efficiency and Flexibility

In addition to welcoming purpose-built vessels, CSL has undertaken a series of ship conversion projects to improve logistics, reliability and efficiency for our customers.

In Australia

CSL welcomed two new ships to the fleet, M/V Elanora and M/V Mareeba. Purchased in 2019, Elanora underwent a conversion before being redelivered as a hybrid self-unloading vessel in July 2020. Mareeba is a bulk carrier that joined the fleet in December 2020. Both vessels are trading on the Australian coast where they have eliminated the reliance on external charter vessels and improved the overall efficiency of CSL Australia’s fleet.

In the Americas

The conversion of two Kamsarmax vessels is underway in China, with expected delivery at the end of 2021. The two vessels were renamed CSL Kajika and CSL Koasek. Once delivered, they will further optimize CSL’s trade capacity along the North and South American coasts. The vessels will be equipped with new IMO/US Coast Guard approved ballast water treatment systems, as well as Tier 3 engines, which reduce fuel consumption and exceed the stringent air emission regulations in Emission Control Areas. In addition to these environmental improvements, both vessels will also be equipped with Fire Integrated Risk Mitigation equipment to mitigate the risk of onboard fires and enhance crew safety.

Safety Engagement with Our Customers

Port Safety Program

Initiated in 2018, CSL’s Port Safety Program leverages our experience on the Great Lakes and ports around the globe to provide customers with recommendations to enhance the safety of their facilities. In addition to improving infrastructure, we also work with our crews to develop standard operating procedures to mitigate risks at critical ports.

In 2020, COVID-19 affected the Port Safety Program by reducing our team’s ability to travel to ports. The pandemic also delayed the implementation of some targeted projects. Despite these challenges, CSL’s web-based Customer Information System allowed our crews to continue updating information on CSL’s various ports of call.

To date, CSL’s customers have committed close to CAN$20 million to upgrade infrastructure at their facilities and improve safety. We look forward to continuing to work with them and other stakeholders to develop safer and more environmentally-friendly facilities.
Great Lakes Marine Gasoil and Biofuel Project

In addition to reducing our environmental footprint, initiatives to cut carbon emissions on the Great Lakes are also aimed at making our customers’ supply chains more sustainable. In 2020, vessels in our Canadian fleet undertook two fuel-related shifts.

The first project involved burning Marine Gasoil (MGO) rather than High Sulfur Fuels (HFO) on the fleet, in response to IMO regulations. Although this change was mandated, we had an obligation to our customers to transition to the new type of fuel effectively, while minimizing costs and downtime. Through our use of fuel additives and careful management of fuel orders, we were able to make the transition and mitigate the impact on our clients.

The second project involved introducing biofuels on Lakers, beginning with tests on CSL Welland and Rt. Hon. Paul J. Martin during the 2020 navigation season. Undertaking the test was intended to ensure the health of assets, by making sure our vessels can continue to perform at a high standard and meet customer needs. Furthermore, because the biofuel industry is in its early days, we had to establish agreements with suppliers to ensure enough fuel was available along our trade routes to facilitate fuel stoppages that did not adversely affect our customers.

Our Commitment Progress in 2020 Moving Forward

- Maintain the highest standards of safety, ethical conduct, and environmental responsibility
- Respond to customer needs and maintain open dialogue
- Exceed customer expectations by creating high value through efficiency, innovation and continuous improvement
- Position customers for the future through advocacy and partnerships
- Continued to serve customers and develop tailored solutions despite the pandemic
- Conducted two biofuel trials on the Great Lakes
- Designed and invested in a newer, more sustainable global fleet
- Completed annual customer survey and received a Net Promoter Score of 8.94
- Delivered three vessels to meet customer requirements
- Continued with four newbuild and conversion projects
- Expand biofuel trials to more vessels and work with suppliers and customers to promote the use of biofuel in the marine sector
- Engage with customers to develop metrics to track and improve performance
- Form partnerships with customers and other stakeholders to promote a sound policy and regulatory framework for marine transportation

Sustainable Development Goals
GREEN MARINE PERFORMANCE

Green Marine is a marine environmental certification program that helps shipowners, ports, terminals, seaway corporations and shipyards structure their efforts to improve environmental performance. The program is voluntary. An independent auditor must verify participants’ results every two years and members must publish their results annually.

Due to varying program requirements in different operating jurisdictions, CSL’s participation in Green Marine is assessed as two entities: Canada Steamship Lines, which encompasses our entire Canadian fleet, and CSL International, which includes all our other fleets.

Levels Achieved in 2020

All performance indicators are scored on a scale of one to five. Level One indicates regulatory compliance, while Level Five demonstrates leadership and excellence. In 2020, the program added a new performance indicator related to ship recycling. This indicator is intended to help shipowners improve their practices for dismantling vessels at the end of their useful lives. CSL is proud to have achieved Level Four for this performance indicator, which underscores our leadership in the policy and practice of ship recycling.

<table>
<thead>
<tr>
<th>Performance Indicators</th>
<th>Canada Steamship Lines</th>
<th>CSL International</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aquatic Invasive Species</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Pollutant Air Emissions (SO₂ and PM)</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Pollutant Air Emissions (NOₓ)</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Pollutant Air Emissions (GHGs)</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Oily Water</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Waste Management</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Underwater Noise</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Ship Recycling</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

Performance Levels and Green Marine Historical Trend

<table>
<thead>
<tr>
<th></th>
<th>CANADA STEAMSHIP LINES</th>
<th>CSL INTERNATIONAL</th>
<th>PARTICIPANT AVERAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>5</strong> EXCELLENCE AND LEADERSHIP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>4</strong> INTRODUCTION OF NEW TECHNOLOGIES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3</strong> MANAGEMENT PLAN AND FOOTPRINT MEASUREMENT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2</strong> SYSTEMATIC USE OF A DEFINED NUMBER OF BEST PRACTICES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1</strong> MONITORING OF REGULATIONS</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: The total participant average was not known at the time this report was published.
CSL ESG SCORECARD

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

▶ Sustainability Accounting Standards Board (SASB) Marine Transportation Industry standard (version 2018-10)
▶ Global Reporting Initiative (GRI) standards
▶ Green Marine environmental certification program

CSL has also chosen to disclose metrics relevant to the material topics outlined through our materiality setting process. As a privately owned company, we are not obligated or influenced by investors requesting ESG information. Rather, we believe increased transparency is essential to sustainable business practices, building our stakeholders’ trust and elevating the ambitions of the entire shipping industry.

CSL Group 2020 Activity Metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shipboard employees</td>
<td>1,251</td>
</tr>
<tr>
<td>Total distance vessels travelled (nautical miles)</td>
<td>1,595,105</td>
</tr>
<tr>
<td>Operating days</td>
<td>14,054</td>
</tr>
<tr>
<td>Deadweight tonnage ('000s)</td>
<td>1,852</td>
</tr>
<tr>
<td>Number of vessels in total shipping fleet</td>
<td>47</td>
</tr>
<tr>
<td>Number of vessel port calls</td>
<td>2,680</td>
</tr>
</tbody>
</table>

Governance Metrics

<table>
<thead>
<tr>
<th>Metrics</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethics and Anti-Corruption</td>
<td></td>
</tr>
<tr>
<td>Number of calls at ports in countries with the 20 lowest rankings in</td>
<td>95</td>
</tr>
<tr>
<td>Transparency International’s Corruption Perception Index</td>
<td></td>
</tr>
<tr>
<td>Number of calls at ports in countries with the 20 lowest rankings in</td>
<td>3.50%</td>
</tr>
<tr>
<td>Transparency International’s Corruption Perception Index (%)</td>
<td></td>
</tr>
<tr>
<td>Total amount of monetary losses because of legal proceedings associated</td>
<td>0</td>
</tr>
<tr>
<td>with bribery or corruption</td>
<td></td>
</tr>
<tr>
<td>Right to Privacy</td>
<td></td>
</tr>
<tr>
<td>Total number of substantiated complaints received concerning breaches</td>
<td>0</td>
</tr>
<tr>
<td>of privacy</td>
<td></td>
</tr>
<tr>
<td>Total number of identified leaks, thefts or losses of data</td>
<td>0</td>
</tr>
<tr>
<td>Metrics</td>
<td>2018</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>---------</td>
</tr>
<tr>
<td><strong>Accidents and Oil Spills</strong></td>
<td></td>
</tr>
<tr>
<td>Total number of oil spills</td>
<td>6</td>
</tr>
<tr>
<td>Total oil spilled (litres)</td>
<td>3.45</td>
</tr>
<tr>
<td>Release of any other hazardous or noxious substance</td>
<td>-</td>
</tr>
<tr>
<td><strong>Marine Pollution</strong></td>
<td></td>
</tr>
<tr>
<td>Treated bilge discharged to sea (m³)</td>
<td>13,020</td>
</tr>
<tr>
<td><strong>Air Pollutants</strong></td>
<td></td>
</tr>
<tr>
<td>Emissions of oxides of sulphur (SO₂) in MT</td>
<td>2,895</td>
</tr>
<tr>
<td>Fuel sulphur average (%)</td>
<td>1.59%</td>
</tr>
<tr>
<td>Emissions of oxides of nitrogen (NO₂) in MT</td>
<td>12,802</td>
</tr>
<tr>
<td>NOₓ (kg/tonne-fuel)</td>
<td>70.30</td>
</tr>
<tr>
<td>Emissions of particulate matter (PM10) in MT</td>
<td>812</td>
</tr>
<tr>
<td><strong>Greenhouse Gases</strong></td>
<td></td>
</tr>
<tr>
<td>Energy efficiency</td>
<td></td>
</tr>
<tr>
<td>Total (gCO₂eq/tonne-nm)</td>
<td>19.13</td>
</tr>
<tr>
<td>Loaded voyages only (gCO₂eq/tonne-nm)</td>
<td>10.25</td>
</tr>
<tr>
<td>Total absolute CO₂eq emissions (Scope 1 GHG protocol)</td>
<td>620,960</td>
</tr>
<tr>
<td><strong>Total energy consumed</strong></td>
<td></td>
</tr>
<tr>
<td>Heavy fuel (GJ)</td>
<td>5,363,102</td>
</tr>
<tr>
<td>Distillate (GJ)</td>
<td>2,651,976</td>
</tr>
<tr>
<td>Renewable (GJ)</td>
<td>0</td>
</tr>
<tr>
<td><strong>Waste and Hazardous Materials Management</strong></td>
<td></td>
</tr>
<tr>
<td>Landfill waste (m³)</td>
<td>2,537</td>
</tr>
<tr>
<td>Landfill waste as a percentage of total waste</td>
<td>59%</td>
</tr>
<tr>
<td>Recycling (m³)</td>
<td>928</td>
</tr>
<tr>
<td>Recycling as a percentage of total waste</td>
<td>22%</td>
</tr>
<tr>
<td>Incinerated (m³)</td>
<td>837</td>
</tr>
<tr>
<td>Organic (m³)</td>
<td>101.30</td>
</tr>
<tr>
<td>Organic as a percentage of total waste</td>
<td>4.02%</td>
</tr>
<tr>
<td>Sludge disposed ashore (m³)</td>
<td>3,415</td>
</tr>
<tr>
<td><strong>Ecological Impacts</strong></td>
<td></td>
</tr>
<tr>
<td>Percentage of fleet implementing ballast water exchange</td>
<td>N/M</td>
</tr>
<tr>
<td>Percentage of fleet implementing ballast water treatment</td>
<td>N/M</td>
</tr>
<tr>
<td><strong>Environmental Compliance</strong></td>
<td></td>
</tr>
<tr>
<td>Number of incidents of non-compliance associated with environmental impacts or non-compliance with environmental laws and regulations</td>
<td>4</td>
</tr>
</tbody>
</table>

N/M = Not measured
## Social Metrics

<table>
<thead>
<tr>
<th>Metrics</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Health and Safety</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fatalities</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lost-time injuries (LTI)</td>
<td>13</td>
<td>13</td>
<td>8</td>
</tr>
<tr>
<td>Lost-time injury frequency rate (LTIFR)</td>
<td>1.72</td>
<td>1.58</td>
<td>1.10</td>
</tr>
<tr>
<td>Total recordable cases</td>
<td>53</td>
<td>63</td>
<td>37</td>
</tr>
<tr>
<td>Total recordable case frequency rate (TRCF)</td>
<td>7</td>
<td>7.60</td>
<td>4.80</td>
</tr>
<tr>
<td>Number of Conditions of Class</td>
<td>N/M</td>
<td>N/M</td>
<td>48</td>
</tr>
<tr>
<td>Number of Port State Control deficiencies</td>
<td>N/M</td>
<td>N/M</td>
<td>99</td>
</tr>
<tr>
<td>Number of Port State Control detentions</td>
<td>N/M</td>
<td>N/M</td>
<td>2</td>
</tr>
<tr>
<td><strong>Diversity and Inclusion</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shore employees</td>
<td>N/M</td>
<td>N/M</td>
<td>249</td>
</tr>
<tr>
<td>Gender with the lowest representation (%)</td>
<td>N/M</td>
<td>N/M</td>
<td>41%</td>
</tr>
<tr>
<td>Ship employees</td>
<td>N/M</td>
<td>N/M</td>
<td>638</td>
</tr>
<tr>
<td>Gender with the lowest representation (%)</td>
<td>N/M</td>
<td>N/M</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Total number of employees by age group and gender with the lowest representation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 30</td>
<td>N/M</td>
<td>N/M</td>
<td>25</td>
</tr>
<tr>
<td>&lt; 30 (%)</td>
<td>N/M</td>
<td>N/M</td>
<td>48%</td>
</tr>
<tr>
<td>30-50</td>
<td>N/M</td>
<td>N/M</td>
<td>153</td>
</tr>
<tr>
<td>30-50 (%)</td>
<td>N/M</td>
<td>N/M</td>
<td>44%</td>
</tr>
<tr>
<td>&gt; 50</td>
<td>N/M</td>
<td>N/M</td>
<td>71</td>
</tr>
<tr>
<td>&gt; 50 (%)</td>
<td>N/M</td>
<td>N/M</td>
<td>31%</td>
</tr>
<tr>
<td><strong>Gender with the lowest representation by employee category (%)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior management</td>
<td>N/M</td>
<td>N/M</td>
<td>25%</td>
</tr>
<tr>
<td>Management</td>
<td>N/M</td>
<td>N/M</td>
<td>34%</td>
</tr>
<tr>
<td>Professional and technical employees</td>
<td>N/M</td>
<td>N/M</td>
<td>39%</td>
</tr>
<tr>
<td>Support staff</td>
<td>N/M</td>
<td>N/M</td>
<td>85%</td>
</tr>
<tr>
<td><strong>New Employees</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total number of new hires</td>
<td>N/M</td>
<td>N/M</td>
<td>28</td>
</tr>
<tr>
<td>Gender with the lowest representation (%)</td>
<td>N/M</td>
<td>N/M</td>
<td>32%</td>
</tr>
<tr>
<td><strong>Total number of new employees by age group</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 30</td>
<td>N/M</td>
<td>N/M</td>
<td>6</td>
</tr>
<tr>
<td>&lt; 30 (%)</td>
<td>N/M</td>
<td>N/M</td>
<td>50%</td>
</tr>
<tr>
<td>30-50</td>
<td>N/M</td>
<td>N/M</td>
<td>17</td>
</tr>
<tr>
<td>30-50 (%)</td>
<td>N/M</td>
<td>N/M</td>
<td>35%</td>
</tr>
<tr>
<td>&gt; 50</td>
<td>N/M</td>
<td>N/M</td>
<td>5</td>
</tr>
<tr>
<td>&gt; 50 (%)</td>
<td>N/M</td>
<td>N/M</td>
<td>0%</td>
</tr>
</tbody>
</table>

N/M = Not measured
COMMENTS ON ESG PERFORMANCE DATA

Boundary Setting
The data provided in CSL’s ESG Scorecard includes all assets owned and operated by CSL, including vessels under third-party management, as well as employees directly employed by The CSL Group or its subsidiaries. Assets and employees in CSL’s joint ventures are excluded from the data provided, as are any vessels engaged in spot charter arrangements.

Activity Metrics
The activity metrics provide important references for the other ESG disclosures. The number of port calls and distance travelled exclude transhipment operations. Additionally, two new vessels are included in the total fleet number for 2020 but had no operational days or voyages recorded because they are undergoing a major conversion.

Governance Metrics

Ethics and Anti-Corruption
In 2020, 60 countries ranked in the bottom 20 on Transparency International’s Corruption Index, because many countries received equal ranking. The five countries in which CSL vessels made port calls that were ranked in the bottom 20 were Mexico, Dominican Republic, Guatemala, Honduras, and the Philippines, in order of most to least. CSL’s transhipment operation in Liberia was not included in the total number because the vessel remains permanently in the same port for operations.

CSL strongly believes that the most effective way to combat corruption, however, is to proactively work with stakeholders to identify and address the root causes of corruption and not by simply avoiding regions where corruption is perceived to occur. This is why CSL has implemented a zero-tolerance policy regarding any form of corruption where we carry on business and a robust anti-corruption program, which focuses on due diligence and controls to ensure all business remains corruption free.

That is also why CSL has taken a leadership role in the Maritime Anti-Corruption Network, which is working with governments, non-governmental organizations and civil society to identify and mitigate the root causes of corruption where it is most likely to occur and by creating a culture of integrity within the maritime community as a whole.

Right to Privacy
There were zero complaints received either directly, or through CSL’s EthicsPoint hotline, related to breaches of privacy in 2020. CSL’s cyber security monitoring and response systems detected no leaks, thefts or loss of data during the reporting period.

Environmental Metrics

Accidents and Oil Spills
This disclosure includes all oil-to-water incidents across the entire fleet. In 2020, one other noxious hazardous discharge was reported when a 25 L container of engine room chemicals was lost overboard.

Marine Pollution
Treated bilge is the water legally discharged after treatment through a vessel’s oily water separator. In the Great Lakes, ships must comply with 5 parts per million (ppm) oil-to-water content in the bilge discharged. Internationally, the limit is 15 ppm.
Air Pollutants
Sulphur oxide emissions are calculated from the \( \text{SO}_x \) percentage mandated to be declared on the bunker delivery note. Nitrous oxide emissions and particulate matter calculations and emission factors are based on metrics provided by Green Marine for the different engine speeds and fuel types.

Greenhouse Gases
The following standard conversion factors for fuel metric tonnes to gigajoules were used: heavy fuel oil 39,000 KJ, marine diesel oil 42,000 KJ, and the biofuel used in CSL’s fleet in 2020 was 37,000 KJ/KG.

Waste and Hazardous Management
This disclosure includes all waste generated on board the global fleet but excludes office-generated waste. Organic waste refers to organic material sent to composting facilities through our dedicated waste management supplier. Dry cargo residues (DCR) are not included in the waste data. CSL will continue to look for better measures of DCR discharges.

Ecological Impacts
The ratio includes all vessels and ballast water treatment systems in operation for the majority of 2020. One system was installed in late 2020 but was not included. Additionally, transhipment vessels that operate within the same port and Canadian vessels are not required to install ballast water treatment systems. However, these vessels have been counted in the total. Transport Canada is still working through regulations for ballast water management in Canada and the Great Lakes.

Environmental Compliance
One breach of environmental regulations was reported in 2020 when the oily water separator on one vessel was left operating as the ship entered a non-discharge zone. The incident was reported to relevant authorities and no further action was taken.

Social Metrics

Health and Safety
All safety data applies to CSL employees only. The data does not include contractor injuries or hours worked. The lost-time injury frequency rate and the total recordable case frequency rate are per million hours worked.

New disclosures in this report include Port State Control deficiencies and detentions, as well as Conditions of Class, as required by SASB guidelines. Conditions of Class is used as a mechanism for a vessel’s Certificate of Class to remain valid when defects arise with regard to the ship’s structure or machinery. Conditions of Class are issued with a specific timeframe in which the defect must be rectified. This may require external contractors or even dry-docking the vessel.

CSL had two Port State Control detentions in 2020. Both were due to defects that were rectified promptly by the ship and shore teams.

Diversity and Inclusion
CSL’s diversity and inclusion disclosure includes gender representation by age and employment type. For shore-side employees, this metric includes permanent employees in all regions as of December 31, 2020. The ship employee breakdown by gender is for Canada Steamship Lines only. This is the first year CSL is reporting this disclosure and we will endeavour to improve and expand it in future years.

New Employees
This is a new metric introduced in 2020. The new employee disclosure includes all new permanent employees hired during the 2020 calendar year in every region. This disclosure is for shore-side employees only.
THE CSL GROUP

The CSL Group Inc. (CSL) of Montreal, Canada is a world-leading provider of marine dry-bulk cargo handling and delivery services. Through its major operating regions, Canada Steamship Lines, CSL Americas, CSL Australia, CSL Asia and CSL Europe, CSL owns and operates a highly diversified fleet of specialized self-unloading vessels, off-shore transhippers and bulk carriers, and delivers cargo to industrial customers annually. CSL’s history can be traced back to 1845.