

ESG REPORT 2022

EURO-TERMINAL (EURO-TERMINAL AS AND ITS SUBSIDIARIES)

1. Board Statement

Caiano Terminals owns 61,4 % of the shares in the Norwegian holding company Euro-Terminal AS. Through two polish subsidiaries, Euro Terminal Real Estate Sp. z.o.o and Euro Terminal Sp. z.o.o., Euro Terminal owns and operates a large port north-west in Poland and at the border to Germany.

The port area of Swinoujscie is located at the mouth of the river Odra, which is the main artery for domestic sea traffic and has a proximity to the industrial heart of Poland and the eastern part of Germany. The area is developed to handle and store several types of cargoes, in addition to lease of land. The land area is 56 hectares and consists amongst others of a total quay length of about 2,200 metres, where the depth varies from 6.3 metres to 9.5 metres. In 2021, over 527.000 tonnes of several types of cargo were loaded/unloaded at Euro Terminal.

The main operators at Euro Terminal are customers within frozen fish, dry cargoes, and project cargoes, in addition to leases of land. The terminal has a stable customer group.



A sustainable development is a development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Sustainability has three dimensions:

- Economic
- Social
- Environmental

Focus on sustainability is important. Good corporate governance is important. Short term profit may contradict sustainability. We have the will and ability to focus on sustainability and contribute positively through our long term value creation.

Euro-Terminal AS shares the same values as Caiano. Caiano has always focused on long-term commitment, hard work, sincerity and trust. The vision of Caiano is to create lasting values in a respectable, responsible and good manner.

Through our business, Caiano has since the beginning worked for sustainable development. Sustainability and profitability is interconnected. We can not be profitable without also taking care of the people and the environment. We have worked to create lasting values, create positive foot prints and minimize negative impact on the environment and the community we are part of. We have created and developed businesses that contributes to changes developing our community and individuals. For us, this is the core of creating a sustainable development.

Euro-Terminal believes that focus on reduced consumption and taking care of assets are some of the most important contributions to a sustainable society. We will continue to create lasting values in a responsible and good way.

The company has a long-term dedication. The company has a principle of maintaining and extending the lifetime of assets as long as possible. Proper maintainance is crucial to secure efficient and good management and gives important environmental gain. The good quality standard of our terminal and its equipment are kept through continuous renovations and upgrades.

At Euro-Terminal we are of the opinion that environmental, social and governance sustainability and profitability is connected. We can not be profitable without also running the business in a responsible manner and taking care of the people and the environment. Some of our focus areas are:

- Diversity
- Environment
- Long-term values

This is our second ESG-report, as Euro-Terminal developed an ESG Report for the first time for 2021. We want to make it visible and focus on the importance of sustainability in our business and in the report we will describe our work related to this. Sustainability should be in the essence of what we do. We want our customers and business partners to know that we want to be a part of the green shift. In the report for 2022 we have also included a separate chapter related to due dilligence and transparency.

We will continue to do what we are good at, whilst a more visible and increased focus on sustainability will make us even better.

2. Sustainability Goals

In the process of developing the company's first ESG report there has at the same time been made an analysis of the UN Sustainable Development Goals (SDGs) in order to identify which of the 17 goals are most relevant for the company. Euro-Terminal has concluded that presently the following UN Sustainable Goals are most relevant:



3. Environment, responsible consumption and partnerships for the goals (SDG 12, 13, 14, 15 and 17)

3.1 Certifications, memberships and other

Certificates:

- **ISO 9001 : 2015** valid for the following scope : handling and storage of frozen cargo, general cargo, breakbulk cargo and project cargo in sea port Swinoujscie
- **ISO 14001**
- **MSC Chain of Custody**
- **ASC Chain of Custody**
- **IFS Logistics** for the audit scope: discharge from vessel/truck, transfer to coldstore, loading on truck and storage of frozen fish and meat
- **HACCP** health safety system for foodstuff
- **ISPS** International Ship and Port Facility Security Code

In 2022 Euro Terminal started proceedings to obtain **EcoVadis certification** that covers a broad range of systems including Environmental, Labour & Human Rights, Ethics and Sustainable Procurement impacts.

Implementation of upgraded **ISO 14001 : 2015** is under process. Certification audit is expected to take place in October 2023.

Memberships :

- **SPCC** (Scandinavian-Polish Chamber of Commerce)
- **Polish Wind Energy Association**

3.2 The terminal usage

No other form of transportation is more environmentally friendly than sea transportation.

Both EU and the Norwegian government has an overall goal to shift transportation of goods from road to sea. The shipping business needs our terminal for storage and transportation of goods and food. Having a terminal at Swinojskie gives back to society because it is positive for the environment, climate and biodiversity. It saves the community of a lot of truck transportation, which is good for the environment and also reduces the risks of traffic accidents. Also, since the cargo stored is food, this terminal is also important for the society in relation to food security. Storage of windmill parts on the terminal also contributes to enabling the green shift to greener energy for the future.

One of the most forward-looking types of transport, in terms of sustainability is an intermodal transport, which uses more than one mode of transportation using maritime, road and rail. Euro Terminal invest in the development of intermodal transport solutions. In February 2023 construction works of Ro Ro ramp were completed and roro services (load / discharge of roro vessels) are now promoted and offered on the market. This - in combination with own railway siding is a perfect link in intermodal transport connecting seaport with land terminals located in Poland and as well in the south of Europe.

The main operators at Euro Terminal are customers within frozen fish, dry cargoes, and project cargoes, in addition to leases of land. The terminal has a stable customer group, so we know our customers. One of our biggest customers stores parts for production of wind mills at our terminal, so about 40 % of the land area on our terminal is used for that.

However, Euro-Terminal recognizes that our business also has negative impact on the environment and that all contributions to reduce this impact matters. We continuously work actively on reducing this negative impact on the environment.

Running the terminal, we focus on compliance with all applicable laws and regulations, including but not limited to environmental and waste handling regulations. Also, we are positioning ourselves in order to comply with future requirements.

At the same time Euro-Terminal is also looking at possibilities of implementing already existing measures to reduce emissions.

Also, we believe that the so-called circular economy will become more important in the future. Meaning that waste will be looked upon as a resource. Products being made by materials that are recyclable. In this way, emissions can be reduced. We believe it will require terminal place when new products in the circular economy will be going in and out of the port, like waste, steel or other residues from building processes or other.

We focus on maintenance of the terminal equipment and the terminal itself, hence extending the lifetime of assets. This is an environmental gain.

3.2 Emission

Emissions at the terminal:

The company is mainly involved in handling of foodstuff (frozen fish, fruits and meat) and other «clean cargo» like woodulp, hardboards, building materials or project cargo which do not cause any emissions or polution during handling / storage damaging the environment.

Shoreside power:

Although it is a reliable solution to cut the emission in the port, shore side power is at present not very common in the Polish ports. Due to pressure from EU it will gain more attention in the near future. As the technology to be fitted both onboard and onshore is quite expensive, Euro Terminal is in dialogue with shipping lines about their readiness to start using landbased electricity and also verifying if there are state and/or EU subsidies available to co-finance the investment.

EU programs to decrease CO2 emission:

Euro Terminal is participating in various EU projects on decarbonisation of Small Port's Ecosystems for Efficient Environmental. The goal is improve transport modes and achieve CO2 reductions.

Within the programme DigiTechPort2030 Euro Terminal applied to co finance purchase of two electric four-wheel counterbalanced fork lift trucks with capacities 3,5 t and 4,99 t. Both equipped with lithium-ion technology batteries. This investment is linked to WP2 and fulfill both decarbonisation and electrification.

Port equipment

Maintenance, as well as equipment surveys, measurements and repairs is the best way to keep the functional unit in use in a efficient way and furthermore supporting environmental gain.

Euro Terminal comply with environmental regulations and submit to the relevent authorities annual reports on waste disposal, emissions, noise etc.

3.3 Water and energy

Water is an important resource. Water consumption is mainly related to cooling installation in coldstores. In other words it is not big volumes.

We are working on assessing new ways to be more energy efficient.

Solar panels

Euro Terminal is working on a project to install solar panels on the coldstore roofs with capacity of 900 kWp, which would secure about 10 % of annual energy consumption.

Windmills

A long term target is to install windmills in the port however it will require changes of a current law. In general Polish renewable energy market is developing very rapid and also a legal environment is improving so hopefully new regulations will come soon.

3.4 Waste

Euro Terminal disposes wastes like used engine oils, scrap only to companies duly certified in waste utilization.

3.5 A short introduction to work related to due diligence and transparency

At Caiano group there has been a focus on promoting the purpose of the transparency act throughout the group, rather than doing a work in this relation only for companies of the group where the transparency act is directly applicable. This is connected to the values of the group related to creating values in a proper, responsible and good manner – a vision that also involves focusing on promoting respect for human rights and decent working conditions. We have a vision of zero accidents and focus on the safety of our employees , including focus on preventing accidents with potentially negative effect on working conditions and human rights. Se also point 4 etc. below.

Euro-Terminal is performing due diligence, with OECDs guidelines (and the Norwegian Transparency Act) as our starting point, including ambedding this at board level and guidelines, identification/mapping and assessment of potential and possible adverse implact for working conditions and human rights in our own company, and in relation to suppliers/business partner, and look at measures in this relation. This does not mean that the work is done once and for all as soon as we finish it this year. This is a continous procesess moving forward, where the focus is on improving.

Euro-Terminal has a long term focus, also when it comes to many suppliers and business partners, which can be an advantage when it comes to making sure the partners are responsible and also in relation to being able to achieve improvement if a need for that is identified.



In the company there has been and will continue to be a focus on this topic, for example through giving information and building the culture. Through the information given the employees becomes familiar with the company guidelines and also information is being given in order to increase the awareness of these topics throughout our company. In 2022 there has been a special focus on information regarding the transparency Act, due diligence, ethical guidelines of the company, ethical guidelines for suppliers,

new routines related to inquiries regarding the transparency act, in addition to again giving information related to the guidelines on protection of personal data and whistleblowing procedure.

We have established written ethical guidelines in Euro-Terminal. When it comes to ethical guidelines for suppliers, our work with the transparency act made us aware that we did not have such written ethical guidelines for suppliers. Such written ethical guidelines were therefore established and are now available on our webpage. This is expected to make our expectations in relation to respect for human rights and decent working conditions even more visible and will be an important tool for the future in order to be able to have the possibility to influence suppliers. We have also developed a Q&A form, that can be used for suppliers self assessment (or an audit of the suppliers by us or others) if requested by us.

Also, stakeholders have been identified, like customers, suppliers, business partners, co workers, representatives of the employees/unions, local community, public authorities, banks, competitors and owners. We communicate through our reporting and in relevant forums.

Further information on the company structure and area of business is being published on company's webpage.

4. Decent work and economic growth, gender equality and diversity, reduced inequality (SDG 3, 8, 10 and 11)

A good working environment is important to attract and keep competent employees. The human capital is considered to be important for good management of the company.

Euro-Terminal complies with all applicable laws and regulations.

The company offers competitive salary and conditions.

The company is a firm believer in and works for gender equality and against discrimination. All humans should have equal worth, same opportunities and same rights. Diversity and equality is important at Euro-Terminal:

- Our working environment is based on diversity and equal worth
- Any form of discrimination based on race, sex, age, religion, political opinion, national or social origin or other that is a breach of the principal of equality is unacceptable.
- We treat each other fairly and with dignity and respect.

The company continuously work through its employee and recruiting policies to promote gender equality and work against discrimination.

The company has a routine for whistleblowing.

Sick leave at Euro-Terminal in 2022 was 4,24%

By comparison, the average sickness absence in Poland, for the transport/logistic industry concerned, was 5,4% in 2021. The national figures in Poland for comparison in 2022 are not yet available yet.

5. Local community

Euro Terminal care about local community giving small donations to charitable causes.

6. Anti-corruption

Euro-Terminal has zero tolerance for any kind of corruption, including but not limited to bribes or offering/accepting any other form of improper advantages.

7. Privacy protection

Privacy protection is a human right and it is important to safeguard this value. Every individual is entitled to decide how their personal information is to be processed.

We focus on compliance with regulations, including the General Data Protection Regulation. We focus on protection of personal data and have routines in place in this relation.

8. IT security and technological innovation

The company uses resources on securing the computer systems against attacks. High standard on IT security is important in order to avoid fraud, loss of personal data and minimize downtime on critical computer systems.

10. Anti-Money Laundering

The terminal has a stable customer group. We believe in:

- Knowing our business partners
- Compliance with applicable laws and regulations regarding anti-money laundering
- Being aware of any unusual payments, invoices or banking transactions
