

# 2023 Sustainability Report

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**YOUR MARINE  
CARRIER OF CHOICE.™**

# What's Inside

<b>About this report</b>	<b>01</b>
<b>Message from President &amp; CEO</b>	<b>02</b>
<b>Highlights</b>	<b>03</b>
<b>About Algoma</b>	<b>04</b>
<b>Sustainability at Algoma</b>	<b>05</b>
<b>Environment</b>	<b>07</b>
Minimize Our Environmental Footprint	08
Protect Marine Ecosystems & Biodiversity	16
<b>Social</b>	<b>19</b>
Ensure a Safe & Healthy Workforce	20
Foster Employee Growth & Development	25
<b>Governance</b>	<b>32</b>
Achieve & Maintain Operations Excellence	33
Promote a Strong Foundation	34
<b>ESG Performance</b>	<b>37</b>

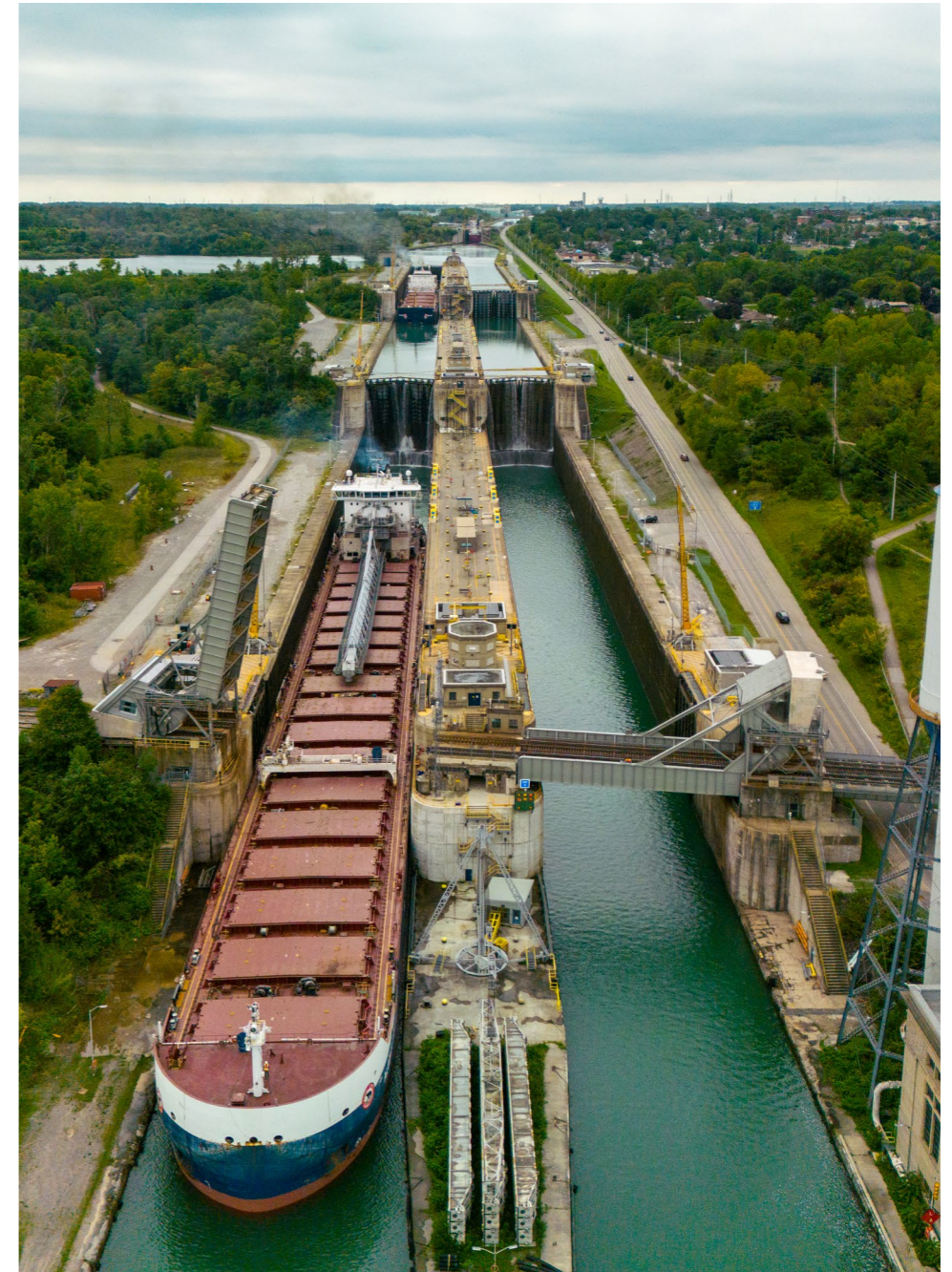


# About This Report

Algoma has published a report detailing our sustainability performance bi-annually since 2011, with the last report covering 2020/2021. This report summarizes our management approach and performance on identified priorities under the pillars of Environment, Social, and Governance (ESG) for the reporting years 2022 and 2023.

As reporting guidelines emerge and develop, we continue to fine-tune the indicators we measure and report on to ensure Algoma's priorities and efforts are aligned with industry frameworks. The contents of this report were guided by the Sustainability Accounting Standards Board (SASB), the Global Reporting Initiative (GRI), and the Green Marine environmental certification program indicators.

While the United Nations Sustainable Development Goals (SDGs) are primarily applied at the country level, Algoma is committed to supporting the IMO's efforts to further their 2030 Agenda. Priorities identified in our strategy are aligned with several UN SDGs and their corresponding indicators and targets. The most applicable are shown below.



# President & CEO Message

**Sustainability is at the core of our business strategy, driving progress and guiding our decision making. For Algoma, sustainability is not only about minimizing our environmental impact but also supporting our workforce, contributing to the communities we serve, and creating long-term value for our stakeholders.** I am proud to present our latest Sustainability Report and invite you to read about our progress, achievements, and challenges across our business and within the marine industry at large.

Whenever I write these messages, I begin by acknowledging our employees and attributing our success to them. This may seem repetitive, but it is a point I cannot emphasize enough: our people are Algoma and the driving force behind our achievements. I encourage you to read through the social section of this report, which has expanded with each issue of our Sustainability report. As our workforce evolves, we must evolve with them. I am proud of the strides we continue to make in fostering a work environment that prioritizes health and safety, employee well-being, and community spirit and involvement. I would be remiss if I didn't also mention our Hamilton-Niagara Top Employer Award for the second consecutive year. This

accolade not only reflects our commitment to our employees but also recognizes their outstanding efforts.

We made some notable enhancements to our safety, training, and development programs over the past two years, one of the most significant being our new online Learning Management System (LMS). The LMS enables our employees to access relevant courses and other Algoma information from anywhere and is a step forward in the way we provide and track training. We also installed Starlink Maritime across our domestic fleet, the first company on the lakes to do so. Starlink provides the best connectivity for marine vessels on the market today and will help to keep our crews connected with their family, friends, and shoreside colleagues.

We also prioritized diversity, equity, and inclusion and are proud to celebrate the breadth of thought and experience and the different perspectives everyone brings to the table. At Algoma, everyone is welcome, and it is important that everyone feels they belong.

Environment, the "E" in ESG, is a word that encapsulates marine transportation and our commitment to responsible stewardship of our waterways. We are dedicated to pursuing long-term

environmental solutions for the industry while also focusing on immediate actions.

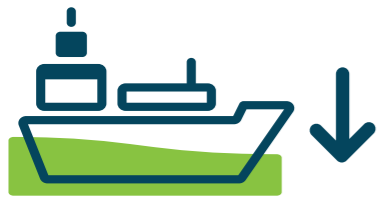
At Algoma, we have been a first and repeat mover exemplified by our Equinox Class vessels, our energy efficiency efforts, and recent biofuel trials. However, we recognize there is still much more to be done. As an industry, we must find the right solutions, set a unified course, and see it through. Through independent efforts and collective industry initiatives like the Great Lakes - St. Lawrence Seaway Green Shipping Corridor Network (GSCN), we are exploring modal optimization, alternative fuels, and assessing the viability of new technologies. Some solutions are ready to implement now, while others require further research and development. Collaboration is essential, and I look forward to continuing our work with industry peers through the GSCN, the Ontario Marine Council, the Chamber of Marine Commerce, and our bi-national governments.

We continually strive to remain the *Marine Carrier of Choice* for all our stakeholders, with our partners being a key part of this group. Sustainability involves pursuing environmental protection, social equity, and economic growth and I am pleased to highlight our ESG efforts in this report.



Sincerely,  
*Gregg Ruhl*  
Gregg Ruhl

# Highlights



**18% Reduction in GHG Intensity** since 2008 (Domestic Dry-Bulk fleet)



**2,673 Training Hours** completed by employees through Algoma's new Learning Management System (LMS)



**4.4/5** Green Marine Score



**10 Lost Time Injuries** the lowest annual number in our history



**68% of Our Fleet** flying Gold Operations Excellence flags (learn more about the requirements here)



**192 MT of Recyclables and Organics** diverted from landfill in 2022/2023



**16 Vessels Participated** in the Marine Acoustic Research Station (MARS) Underwater Noise Measurement Project (57 transits)



**\$664k in Scholarships** provided to children of Algoma's employees since the program started



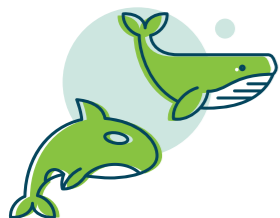
**10,500 Sea Days** completed by cadets onboard Algoma vessels (number is approximate)



**\$245k Donated** to United Way in 2022/2023



**5.1/7** Employee Engagement Survey Score



**452 Whale Observations** provided to ROMM/Marine Mammal Observation Network since joining

# About Algoma

## Who We Are

Algoma Central Corporation is a leading Canadian marine transportation company, headquartered in St. Catharines, Ontario.

We own and operate the largest fleet of cargo vessels on the Great Lakes - St. Lawrence Seaway. Algoma's domestic dry-bulk fleet consists of 18 vessels, with one additional vessel under management. These vessels serve diverse industrial sectors like steel production, agriculture, mining, and construction. The domestic product tanker fleet, with seven vessels in Canadian service, safely, reliably, and efficiently moves petroleum products throughout the Great Lakes - St. Lawrence Seaway and Atlantic Canada regions.

Additionally, Algoma owns and operates ocean self-unloading dry-bulk vessels globally and holds 50% interests in joint ventures that own diversified portfolios of dry and liquid bulk fleets. The international ocean self-unloaders segment comprises eight vessels and is part of the world's largest commercial pool of self-unloaders serving customers primarily in the Americas. Our global short sea shipping segment focuses on niche marine transportation markets and operates cement carriers and mini bulkers supporting agriculture, cement, construction, energy, and steel industries worldwide. We also own a 50% interest in FureBear, in partnership with Furetank AB of Sweden, an owner/operator of dual fuel intermediate tankers in Northern Europe.



A Canadian Company  
Since 1899



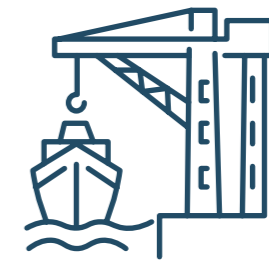
1600+ Employees  
Worldwide



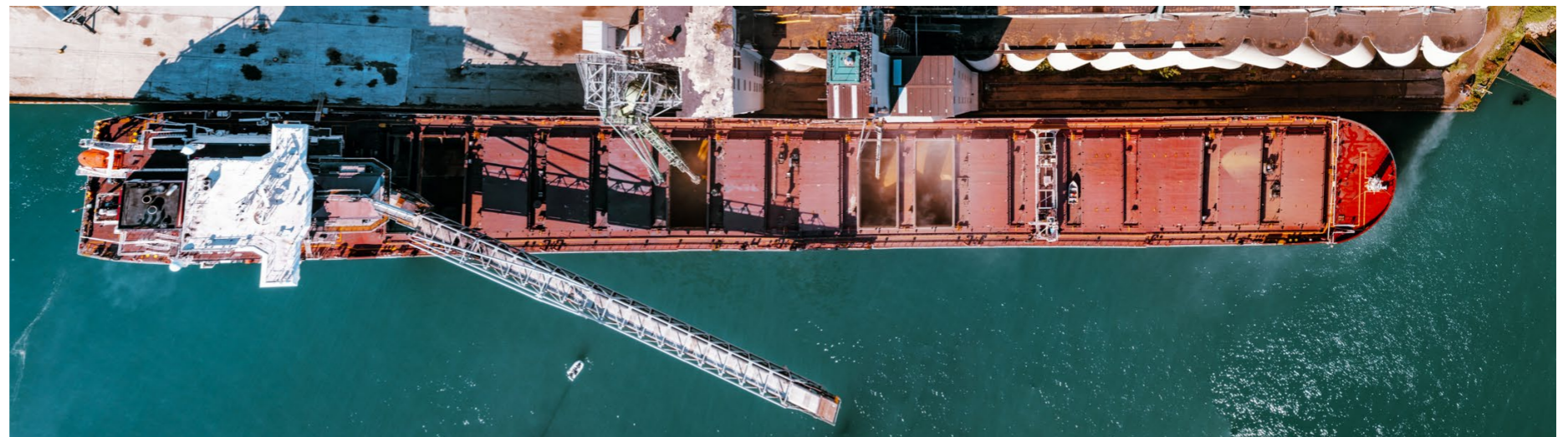
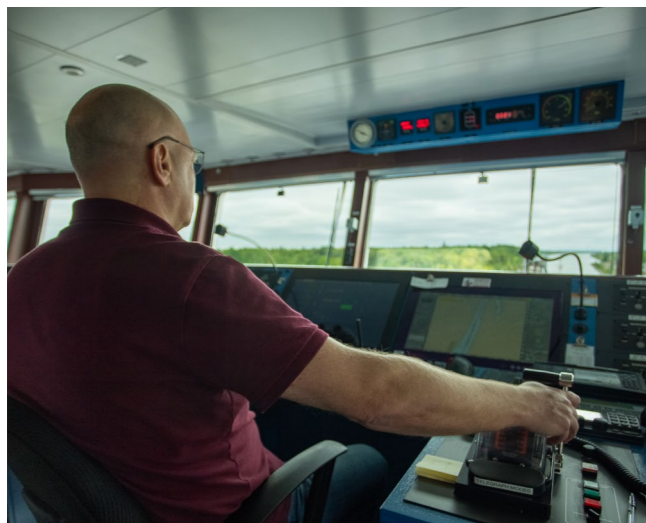
Headquartered in  
St. Catharines, Ontario



Interests in 86 Vessels  
Globally



17 Vessels Currently on  
Order/Under Construction



# Sustainability at Algoma

## Our Strategy

Sustainability is one of Algoma's core values and the three sustainability pillars of Environment, Social, and Governance (ESG) help to guide our decisions and drive progress. As we continue to integrate sustainable business practices into our operations, we always keep ESG considerations in mind.

In 2023, we reviewed our sustainability strategy based on stakeholder engagement, emerging trends, and best practices. We concluded our strategy largely remained aligned with these considerations.

## Employee Survey

In our 2023 employee sustainability survey both ship and shore employees rated sustainability as highly important to them and Algoma.

To ensure our strategy is aligned with the priorities of our employees, they were asked to identify which material topics were of greatest importance to them. There were slight differences between shipboard and shoreside, but their top four priorities were aligned. Employees were also asked to rate Algoma's perceived performance on a list of sustainability topics to identify where we are doing well and where we can improve.

While all areas were rated above average, the results revealed high performance in Diversity, Equity, and Inclusion (DEI), social and community supports, market presence, environmental protection and workplace safety, and slightly lower performance in training and education, employee health and wellness, air emissions, and climate change/greenhouse gases (GHGs).

We place high value on the feedback provided to us by employees and discuss how we have taken action to address areas for improvement throughout this report. To continue the positive trend of increasing employee awareness and involvement in our sustainability efforts, we launched a new sustainability awareness training module on our Learning Management System (LMS).



### Top 4 Employee Priorities

1. Workplace Safety
2. Employee Health & Wellness
3. Training & Education
4. Environmental Protection



- Injury Prevention
- Health & Wellness
- Diversity, Equity & Inclusion
- Community Impact



- Training & Mentorship
- Professional Development
- Employee Engagement



- Marine Mammal Protection
- Aquatic Invasive Species Risk Reduction
- Spill Prevention



- Reduce Emissions
- Invest In Decarbonization
- Innovative Technologies
- Reduce Waste Generation
- Responsible Ship Recycling



- Reliability And Process Improvement
- Incident Prevention
- Value For Customers



- Vision & Values
- Ethics & Compliance
- Management Systems
- Strategic Partnerships & Collaboration

## Stakeholder Engagement

We remain current with stakeholder interests by engaging with groups through a variety of formal and informal methods, including:

- Committee participation at industry meetings
- Customer, supplier, and employee surveys
- Collaborative advocacy work with all levels of government and policy makers
- Insight into community needs through ongoing support of United Way
- Internal communication through quarterly meetings, company newsletters, and video messaging
- External communication through social media, blogs, annual reports, shareholder meetings, and press releases

To improve our processes and ensure effective engagement, we conducted a review and identified high-priority stakeholders using the Business for Social Responsibility (BSR) guidelines for stakeholder mapping. Senior management and key personnel completed the rankings, with the results shown to the right. This project is ongoing in 2024, with next steps to include identifying and addressing any gaps in our current strategy and streamlining our engagement reporting and analysis processes.

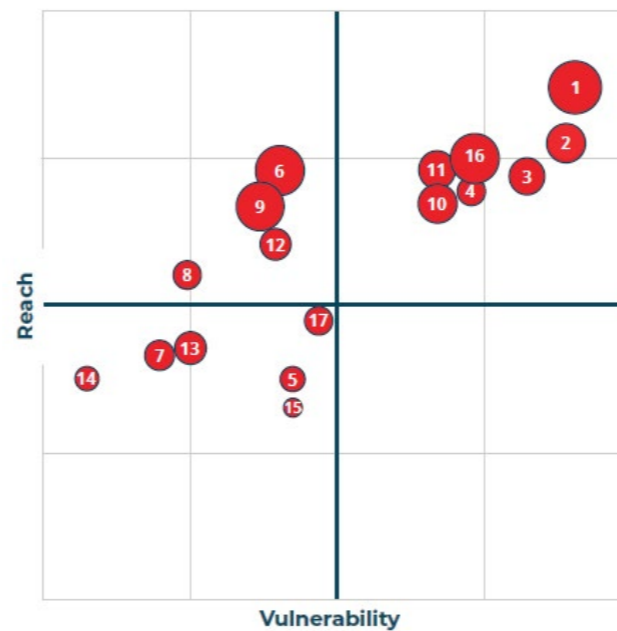


Ontario Marine Council's Annual Day at Queen's Park.

## Stakeholder Mapping



The stakeholders in the upper right quadrant (employees, business partners, customers, governments, classification societies, global shipping organizations, and domestic unions) are highest in expertise and influence, with varying levels of orientation. They are important to consult when developing business decisions/activities, as they have valuable ideas/insight.



The stakeholders in the upper right quadrant (employees, customers, shareholders, business partners, domestic unions, suppliers and contractors) are highest on reach and vulnerability, with varying levels of orientation. They are important to engage with when considering the impact of a business decision/activity, as they are most likely to be affected, whether positively or negatively.

### Legend

- |                                |                                  |                                    |
|--------------------------------|----------------------------------|------------------------------------|
| 1. Employees                   | 7. Global Shipping Organizations | 13. Non-governmental Organizations |
| 2. Customers                   | 8. Governments                   | 14. Academic and Thought Leaders   |
| 3. Shareholders                | 9. Classification Societies      | 15. Communities/Larger Society     |
| 4. Unions (SIU, Unifor, Guild) | 10. Suppliers                    | 16. Business Partners              |
| 5. Unions (International)      | 11. Contractors                  | 17. Crew Managers/Suppliers        |
| 6. Industry Organizations      | 12. Lenders                      |                                    |





# Environment



Minimize Our  
Environmental Footprint



Protect Marine  
Ecosystems & Biodiversity

# Minimize Our Footprint

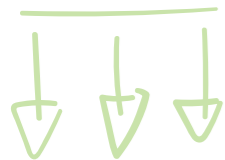


## Decarbonization

Ship owners around the world are working to reduce GHG emissions, researching solutions to address climate change and ultimately decarbonize. At Algoma, we are no exception and are addressing this challenge with a strategy to reduce emissions from our operations. Our carbon reduction targets are aligned with the IMO strategy and our Decarbonization Team is actively evaluating and implementing measures for achievement of these ambitious goals.

### Our Goals:

**40% Reduction in carbon intensity by 2030**



**Net Zero by 2050**

### IMO GHG Reduction Strategy

In 2023 the IMO set an ambition of net-zero GHG emissions 'by or around' 2050, with reduction goals in total emissions of at least 20% by 2030 and 70% by 2040 for the global fleet. Also included in the strategy is an intensity-based target of 40% by 2030 and a goal of 5% energy from zero emission fuels and technology by 2030. [Click here for more details.](#)

## Our GHG Strategy

Algoma has prioritized carbon reduction for many years with a strategic focus on fleet renewal, energy efficiency measures, introduction of new technologies, and optimizing operations. We are also monitoring the development and feasibility of alternative fuels and propulsion. We have brought 11 newly constructed highly efficient Lakers into service in the Great Lakes since 2013, each replacing an older bulk carrier and significantly improving our overall fleet efficiency. We have also progressively replaced vessels in our product tanker fleet with newer ships, bringing further efficiency improvements.

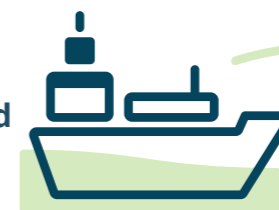
Improvements in monitoring capabilities have been achieved over the last decade through the installation of fuel meters and performance tracking systems. Following successful trials of the propulsion optimization technology FuelOpt on the *Algoma Conveyor* in 2022, we installed it on nine additional vessels. This system reduces fuel consumption by monitoring and controlling the vessel's propulsion power in real time, optimizing fuel efficiency and resulting in an almost 10% reduction in consumption when full away.

In 2023 we successfully trialed biofuel on five vessels. The fuel is derived from crop waste material and was used with only minor modifications required to our vessels. Life cycle analysis indicates an impressive 76% reduction in GHG emissions compared to marine diesel fuel. Biofuels are a drop-in solution that can be used to significantly reduce life cycle emissions today and we will continue to use and trial this alternative fuel going forward. While biofuel has potential to play an important role in marine decarbonization, challenges in supply of sustainable biofuel, competition with other sectors and resulting cost pressures may threaten its viability and will need to be addressed. Regulations must also be in place to reduce uncertainty around biofuels use and develop market incentives to encourage the supply chain. Most importantly, the carbon reduction benefits on a well-to-wake basis must be recognized and accepted at the IMO and national level.



## 2023 Biofuels Trial

- 5 ships
- 5,670 MT of Biofuels Consumed (B20, B50, and B100)
- 2,168 MT B100
- 5,258 MT of GHGs saved



**76% GHG reduction by using Biofuel**

## EEXI/CII Compliance

The IMO's short-term GHG reduction measures include the Energy Efficiency Design Index (EEDI), Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII). EEDI and EEXI rate the technical efficiency of the ship based on its design and installed power, whereas CII is intended to reflect the operational efficiency of the vessel based on fuel consumption and distance traveled. CII for each ship is calculated and reported annually, starting in 2023, with reduction targets determined by the IMO. Algoma has implemented energy efficiency devices where possible, including shaft or engine power limitation, propeller boss cap fins or high efficiency propellers to achieve EEXI compliance. We will also continue to evaluate opportunities for emission reduction as we monitor our annual CII compliance going forward.

## IMO's 2026 Carbon Intensity Indicator (CII) Review

While the IMO's short-term GHG reduction measures are well intentioned, certain limitations of the CII framework remain. As the IMO approaches their CII review, due by 2026, it is important to recognize that unique reference lines and/or specific correction factors are still required for certain ship types and operations to provide a level playing field and to ensure that new, efficient vessels are not incorrectly characterized as substandard. One example is self-unloading vessels. The

emissions associated with operating the ship-based cargo discharging equipment negatively affect the vessel's CII rating, whereas non-self-unloading ships are not required to account for the energy consumption of shoreside unloading equipment. Without a correction factor or a reference line specifically for self-unloaders, these vessels are unfairly penalized because of providing this valuable service at customer facilities.

In addition, ships that engage in short sea shipping, spending relatively more time in port or maneuvering through canals or rivers, provide significant benefits yet in many cases receive a lower CII rating than those that make long haul trips overseas. Correction factors to account for these aspects of short sea shipping should be adopted. Learn more [here](#).

## Made-in-Canada CII

We are encouraged to note Canada has recognized that vessels optimized for operating within the constraints of the locks and rivers of the Great Lakes – St. Lawrence Seaway system have a unique design and cannot be compared to CII metrics that reflect the global fleet of ocean-going ships. As a result, Transport Canada has developed a Canadian CII framework that will require progressive reductions in carbon intensity but with appropriate baselines derived from the relevant ship categories that operate in Canadian waters.

## Collaborating on a Great Lakes - St. Lawrence Seaway (GLSLS) Green Shipping Corridor Network (GSCN)

In 2023 a GLSLS Green Shipping Corridor Network collaborative forum was jointly initiated by the US and Canada. Interested ship owners, ports, fuel suppliers and other stakeholders, including Algoma, are working closely with Transport Canada, the US Department of Transport, and the Canadian and US St. Lawrence Seaway Agencies to envision this corridor, with the goal of accelerating the adoption of low- and zero-emissions fuels and technologies in the region. Algoma is taking a leadership role in the discussions, and plans to continue our active participation in this important work.

## Fuel Procurement

Fuel procurement is a complex process in the marine industry, and Algoma has invested in the sustainability and optimization of our fuel supply chain through various software tools. Our team receives live updates of important information such as market rates, vessel routes and schedules, cargo information and fuel remaining on board. This supports real-time, informed decisions on where and how much to fuel to save time, cost, and emissions.

The tools also support a high degree of collaboration between Algoma, our vendors, and our customers by allowing for the sharing of this real-time data. Together, for example, we can determine optimal fuel levels to maximize the amount of cargo carried, in turn making trips more efficient, and plan bunkering events farther ahead, reducing deviations and idling time in port. Opportunities are also created for vendors to make more efficient decisions, such as when to book drivers to meet the vessel right on schedule.

## Modal Optimization

Short sea shipping, which moves cargoes via inland and coastal waterways as opposed to higher emitting transport modes such as rail or truck, can facilitate an 85% reduction in overall transport emissions and assist in achieving national reduction targets.



RAIL



TRUCK

**33%** MORE GHG EMISSIONS THAN MARINE SHIPPING.

**558%** MORE GHG EMISSIONS THAN MARINE SHIPPING.

GHGs/Tonne-km

## Researching Solutions

In 2024, Algoma and study partners will commence technical and economic feasibility studies on biofuels, wind-assist technology, and shore power to help gauge the suitability of these technologies for bulk vessels in our trades in the Great Lakes - St. Lawrence region.

We are interested in the potential for wind assisted propulsion. Therefore a comprehensive study of wind conditions throughout the Great Lakes - St. Lawrence Seaway region will be undertaken to understand the possibility of using this technology.

Similarly, a project to explore the feasibility and emission reduction benefits of retrofitting vessels to use shore power when in port will be conducted. Items that need to be considered include the source of the shore power and whether it is green, availability at the needed berths, ability to meet the vessel's power needs, and safety. While these technologies may only have limited applicability to our specific operations we look forward to a full analysis.

Lastly, a study to explore the scalability, economic viability and environmental benefits of broader biofuel adoption in our operations and those of other Canadian and international operators in a Great Lakes Green Shipping Corridor is also planned for 2024.

## Methanol-Ready Ships

Our new build program has significantly reduced our carbon footprint, but as fossil fuels are phased out we know that new build designs must accommodate use of low or zero carbon fuels. We are building 'methanol-ready' vessels, three with our international self-unloader pool partner CSL Group and two in partnership with Irving Oil, for delivery expected in 2025.

Methanol-ready construction incorporates requirements into the vessel's design, such as adequate tankage and safety systems for the greater volume of fuel required and selection of engines that can be upgraded to consume methanol. These new vessels will initially operate on marine diesel fuel with the potential, with additional investment, to switch to e-methanol when available.

### Highlights for these vessels:

- **Methanol ready as per ABS Notations**
- **High voltage and shore power (cold ironing) ready as per ABS Notation**
- **Exceed Energy Efficiency Design Index (EEDI) Level III requirements**
- **NOx Tier 3 engines**
- **Eco-friendly optimized ice class 1B design (product tanker vessels)**

## Future Construction

Looking to the future, we are monitoring developments in propulsion technologies and alternative fuels. As noted, in taking steps to future proof current new builds we are building them to be methanol ready. In the coming years being 'ready' will not suffice, and ideally new builds will have to sail from the builder's yard fully 'capable' of burning future fuels. The commitment to do this early in the project means choosing a fuel, and with that comes risk. Our preferred fuel of the future is e-methanol, as it is a relatively safe and proven fuel for modern marine diesel engines, however supply is not yet available. We hope to encourage its supply through collaboration and discussion with stakeholders.

## Why Methanol?

- Possible to achieve net-zero carbon lifecycle emissions (bio-methanol and e-methanol) depending on the source
- Liquid at room temperature so can be handled and transported under normal temperature and pressure
- Relatively mature technology
- Uptake gaining momentum which should drive supply

### FureBear Climate-Friendly Product Tankers

Algoma and partner Furetank AB of Sweden are constructing ten "Vinga Class" series' product tankers as part of the FureBear joint venture

formed in 2022. These ships have dual-fuel capability, run on LNG/LBG or gasoil and are fully equipped for shore power. They are designed with a battery hybrid solution and several innovative features that reduce fuel and energy consumption, resulting in significantly lower emissions of GHGs, sulphur oxides, nitrogen oxides and particulate matter. The ships have scored the best Energy Efficiency Design Index (EEDI) value in their segment globally, meaning that they are delivered with the most energy efficient design according to the IMO framework. These vessels will be operated by Furetank out of Gothenburg, Sweden to address energy needs throughout Northern Europe, including the transport of biofuels.



## Algoma's Energy Efficiency Measures

### Domestic Great Lakes Fleet



#### Fleet Renewal

11 new Equinox Class Lakers with energy efficiency enhancements leading to a 40% reduction in carbon intensity, on average. One additional Equinox Class vessel is currently under construction, further strengthening our efforts to meet our fleet wide 40% GHG reduction target by 2030.



#### Performance Monitoring

Upgrades to performance monitoring and control systems, providing real time measurements. Fuel consumption trials to validate performance and to assist with identification of most fuel-efficient speeds. Improvements in monitoring and analysis to identify the most efficient propeller pitch and engine operation/performance.



#### Propulsion Optimization

Installation of propulsion optimization technology FuelOpt on ten vessels. FuelOpt has shown a 10% reduction in fuel consumption on average when full away.



#### Enhanced Preventive Maintenance

Condition based maintenance for improved reliability and efficiency.



#### Hull Coatings

A new hull coating on the *Algoma Mariner* resulted in a 5% reduction of power and fuel consumption and a 6% improvement in efficiency (Transport Canada study results).



#### Energy Audits

Energy audits have been conducted on two vessels to date, with an additional audit scheduled for 2024.



#### Biofuels Trials

Biofuels were trialed on five vessels in 2023, with further trials planned in 2024.



#### CII Compliance

Worked with Transport Canada as they developed a Canadian Carbon Intensity Indicator for domestic vessels in Canada.

### Ocean Self-Unloader Fleet



#### EEXI/CII Compliance

Evaluation of EEXI and CII for each vessel as per IMO regulations, followed by implementation of measures and adjustments to certain vessels' operating profiles where possible.



#### Special Hull Coatings

New hull coatings for better fuel efficiency. Full hull blasting and painting with special silicon underwater hull coating on the *Algoma Vision*.



#### Propellor Boss Cap Fins

These devices were installed on six of our ocean fleet vessels in 2022/2023.



#### High Efficiency Propellor

Installed on the *Algoma Vision* during construction.



#### Shaft Power Limitation/ Engine Power Limiter

ShaPoli or EPL was installed on all (eight) of our ocean fleet vessels. Accomplished with minimal impact on vessel speeds as most were operating at 'eco-speed' already.



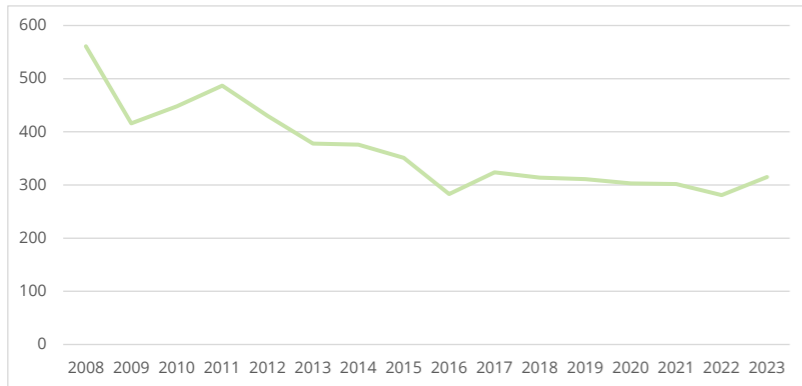
#### Fleet Renewal

Three new 'methanol-ready' vessels are under construction. Expected to be 40% more efficient, with further emission reductions upon use of future fuel.

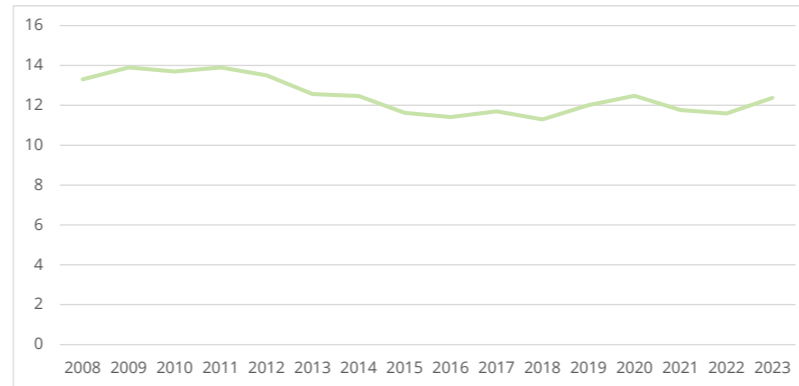
## Performance

Total and intensity-based GHG emissions (energy efficiency operational indicator, EEOI) for our domestic and international fleets are presented below.

**GHG Emissions Domestic Fleet (Thousand of Tonnes)**



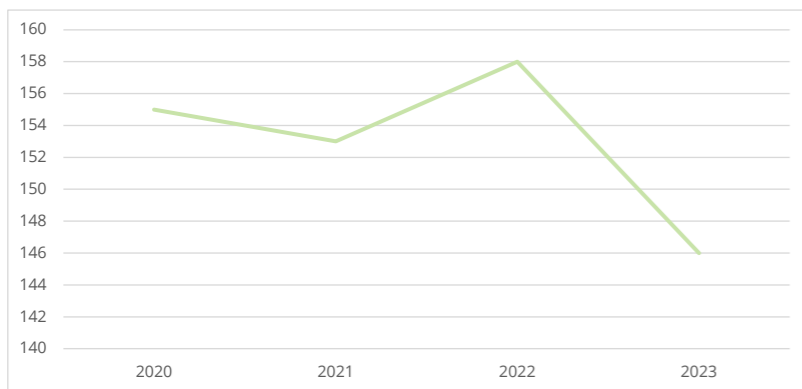
**GHG Intensity Domestic Fleet (g/tonne-km CO2e)**



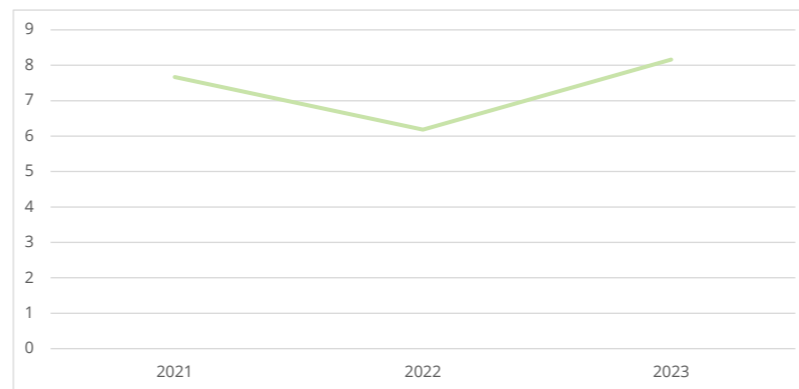
Annual total GHG emissions for the domestic fleet have declined significantly since 2008. The GHG intensity has also seen a downward trend, a result of adoption of energy efficiency measures, voyage optimization, and introduction of new vessels that carry more cargo while consuming less fuel. Our domestic dry-bulk fleet has achieved a reduction of 18% (GHG's emitted per tonne of cargo carried one kilometre) since 2008.

**18% reduction in GHG intensity since 2008**  
(domestic dry-bulk fleet)

**GHG Emissions Ocean Fleet (Thousand of Tonnes)**



**GHG Intensity Ocean Fleet (g/tonne-km CO2e)**



Algoma management of the ocean fleet of 8 vessels commenced in 2020, prior to which several of these vessels were under third-party management, therefore consolidated emissions data prior to 2020 is not presented. As shown, 2023 total emissions were lower and intensity slightly higher due to the number of vessels (five) required to be dry-docked in 2023. The GHG intensity increased as a result of consuming fuel travelling to and from dry-docking locations while not carrying cargo.

### Scope 3 Reductions

Algoma continues to explore opportunities to reduce our Scope 3 carbon emissions. Current practice includes reviewing emissions reports from suppliers, evaluating more efficient options for products or services of the same or similar value, and switching to those producing lower emissions wherever possible. Our purchasing team conducted evaluations and reduced our number of suppliers from 7855 to 3500, prioritizing those that share our core values and provide products and services locally. This has allowed us to invest in and support our local economies, create stronger, more collaborative partnerships, and reduce our carbon emissions by sourcing close to home and consolidating shipments.

A recurring challenge with the reduction of Scope 3 emissions in the maritime industry stems from employee travel. Algoma’s workforce primarily resides in Canada, and due to operational necessities, air travel remains the predominant mode of travel to join a vessel and to return home. To address this unavoidable reality, Algoma is committed to exploring solutions including carbon offset programs developed by our travel providers and partners.

### Sulphur Emissions

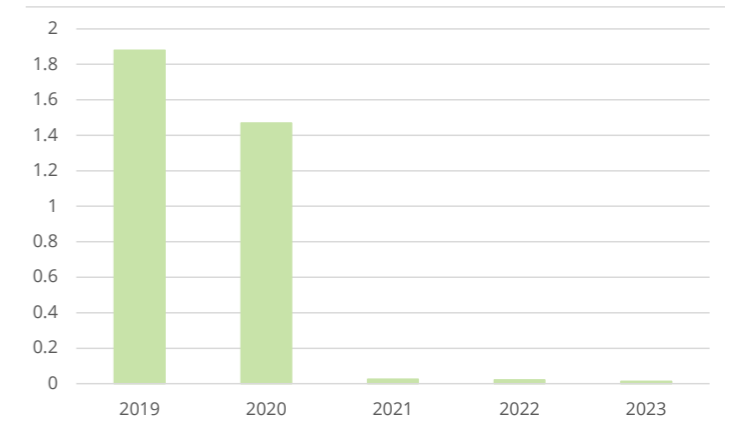
Emissions of harmful sulphur oxides (SOx) have been reduced in global maritime shipping through progressive restrictions on the amount of sulphur allowed in fuel, designation of emission control areas and the adoption of exhaust cleaning technologies. Algoma vessels consume low sulphur fuels, or are equipped with closed loop exhaust gas cleaning systems (ten vessels) or hybrid systems (two vessels) capable of operating in either open or closed loop mode.

We were an early adopter of closed loop exhaust gas scrubbers several years in advance of the 2020 IMO sulphur regulations, based on the knowledge that scrubbers not only enable compliance with strict Emission Control Area SOx limits, but also reduce particulate matter, black carbon, and nitrogen oxide emissions. The environmental and human health benefits resulting from these emission reductions represented a key element of Algoma’s decision to invest in scrubbers on its new build assets. GHG emissions, have also been shown to be less (on a life cycle basis) when using a scrubber compared to marine diesel fuel, due to the emissions associated with refining low sulphur fuels.

The small volume of washwater (termed ‘bleed-off’) generated during closed loop scrubbing is cleaned on board in an approved

treatment plant, is continuously monitored for quality and is only discharged overboard if it meets the IMO limits for regulated parameters (pH, polycyclic hydrocarbons, turbidity and temperature). On board washwater treatment is very effective at removing contaminants, and the resulting residue is then properly discharged ashore at licensed waste management facilities. Discharge water from closed loop scrubbers has a neutral pH and does not contribute to acidification of waterways.

**Total Sulphur Oxide Emissions**  
(Domestic vessels in thousand of tonnes)



## Reduce Waste Generation

Algoma is committed to resource conservation and has several programs in place to eliminate or minimize waste on both our ships and in our offices. Of note, our domestic fleet has participated in a recycling program since 2011, partnering with regional waste management providers to collect recyclable materials and organics for composting.

### IMPA Save

Algoma has restricted single-use water bottles on board and in the office for a number of years, and formally pledged to eliminate them in partnership with IMPA SAVE in 2021. Read more about their work [here](#).

Since pledging, we collaborated with our shipboard crews to identify the most suitable water filtration systems and containers to replace single-use bottles in our operations, and successfully implemented these fleetwide. While we have achieved significant reductions, we recognize that some situations necessitate the use of bottled water (e.g. emergencies, dietary requirements, and visitors). Therefore, we maintain a minimal stock of water bottles for such scenarios.



**66.1**  
**Metric Tonnes**  
of **Organic Waste**  
composted in 2023



**41.2**  
**Metric Tonnes**  
of **Recyclables**  
(plastic, cardboard,  
paper, scrap wood)  
recycled in 2023

This commitment is part of Phase 1 in IMPA SAVE's mission, and there are plans for additional phases to further address the issue of marine plastics. We remain committed to our current efforts and eagerly await further guidance from IMPA SAVE regarding future phases.



## Cargo/Sludge Hose Solution

The marine industry faces unique challenges, and along with them comes the opportunity to find creative solutions. One such challenge is the re-certification of cargo and sludge hoses. Regulation requires that each hose be routinely inspected and re-certified. Traditionally, this process involves coordinating the transport of the hose off the vessel, to the inspector and back. The process was timely and costly, and often was more efficient to simply purchase a new hose at the time re-certification comes due.

Our team identified this current process as an area of improvement, and an opportunity to create a solution better aligned with our sustainability goals. In 2023, we partnered with our service provider and made an initial financial investment in testing equipment which has allowed inspections and certifications to be completed on board a trial vessel. The new streamlined process reduces GHG emissions associated with idling time and hose transport, and resulted in a better business case for ensuring our hoses are not disposed of until the end of their life cycle.

In 2024 we will begin implementing the process on the rest of our fleet.

### Pallet Recycling Program

Algoma's Pallet Recycling Program remains in place – a unique initiative in line with our waste diversion goals. New and inspected pallets are tagged as "Algoma pallets", and our vessels and delivery partners are encouraged to re-use them for Algoma shipments. The pallets are sent to a local company where they are inspected and either reused or broken apart and re-purposed.





## Spill Prevention

We strive to uphold the highest standards of spill prevention and emergency response in our efforts to protect the marine environment. Our measures include strict procedures for fueling and liquid cargo, comprehensive spill and emergency response plans and training, and proactive preventive maintenance.

We are also continuing our program of phasing in biodegradable/environmentally preferable lubricants in underwater and deck equipment. Stern tubes, a common source of operational leakage in global marine operations, have either been replaced by water lubricated models, or utilize a fully biodegradable product, on all Algoma vessels

While any oily discharge to water is unacceptable, the volume of leaks and spills from Algoma vessels was very low in 2022 for a combined total of 8 litres over three separate incidents and a total of 9 litres from three incidents in 2023. One larger volume discharge did unfortunately occur in 2023 due to a damaged propeller. Approximately 220 litres of an environmentally acceptable lubricant (EAL) was released and was fully responded to and reported. According to US EPA standards this EAL is fully biodegradable, non-toxic, and non-bioaccumulative, thereby reducing its impact to the environment.

## Operational Excellence in Delivery of Liquid Bulk Products

The Algoma domestic product tanker fleet provides safe and reliable transportation of liquid petroleum products for our customers, including major oil refiners, who demand the highest levels of safety, environmental protection, quality and service. Our goal is to achieve flawless execution in delivering oil products – we recognize there is no room for error and we strive for perfection. To ensure achievement of this goal, our fleet operates under a very robust management system certified to all major international QHSE management system standards and is subject to rigorous internal and external oversight through programs such as the Oil Companies International Marine Forum (OCIMF) and Ship Inspection Report Programme (SIRE 2.0). In addition, all Algoma tankers are double-hulled. Through these stringent requirements and verification activities a high level of performance and compliance is achieved by our product tanker fleet. Several vessels have achieved the company's operational excellence Gold Flag.



## Environmental Compliance Plan

As noted in our last report, Algoma entered into a United States Coast Guard mandated Environmental Compliance Plan (ECP) in 2021 on eight of our Great Lakes vessels as the result of an unintentional release of untreated bilge water into Lake Ontario in 2017. The release was reported as required and no evidence of environmental impact was observed. The ECP involved enhancement of our environmental management system, training and internal audits, and rigorous checks by the USCG court appointed third-party auditor over a three-year period. We viewed this as an opportunity to strengthen our practices, procedures and training processes and are pleased to report that the program has been successfully completed and the ECP period fully concluded.



## Responsible Ship Recycling

As Algoma continues to introduce new builds into our fleet, we responsibly recycle our older vessels at facilities in Canada and Turkey whose processes align with the standards set in our recycling policy. Most recently, the *Algoma Transport* was sent to be carefully dismantled at a facility in Port Colborne, Ontario after decades of service on the Great Lakes.

We go above and beyond regulatory requirements and evaluate our performance against the Green Marine Ship Recycling indicator, in which we achieved a score of 4 out of a possible 5 in 2023. Please visit the environment section of our website to read further about the elements of our policy that reflect our ship recycling process [here](#).



The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, first adopted in 2009 by the IMO, reached the threshold for ratification in 2023 and will officially come into force in July 2025. We will review our recycling policy in 2024 to evaluate any needed improvements or adjustments to our ship design construction and recycling processes in line with the convention.

Pictured above: the *Algoma Transport* was sent for responsible recycling in Port Colborne, Ontario. in January, 2024.

# Protect Marine Ecosystems & Biodiversity

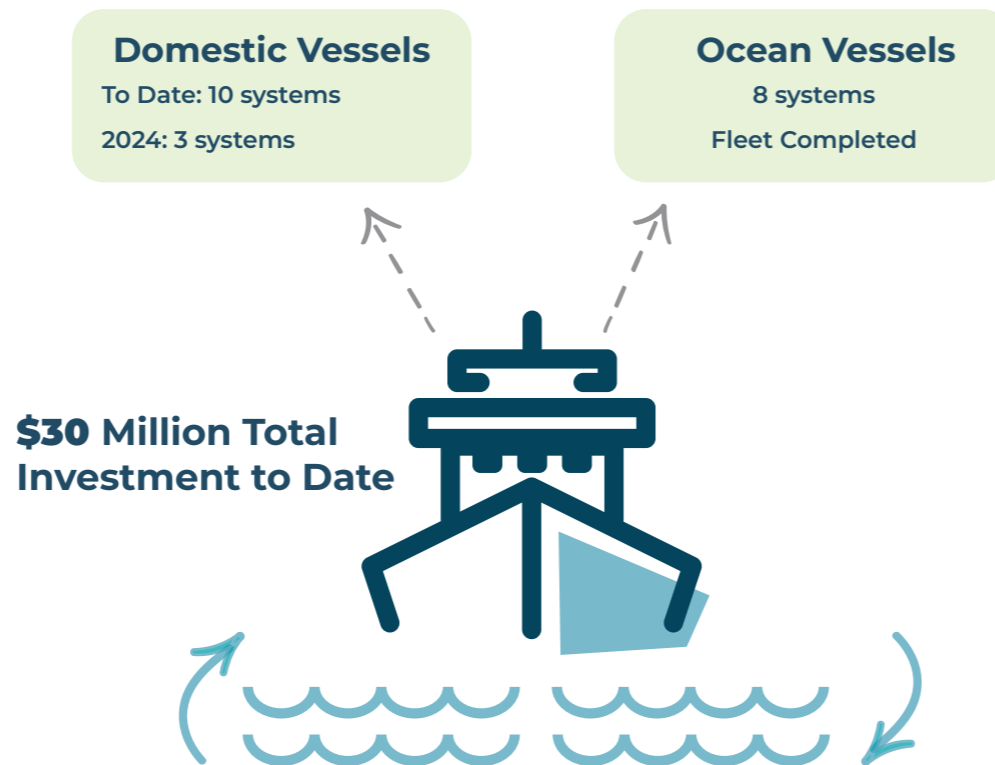


## Aquatic Invasive Species

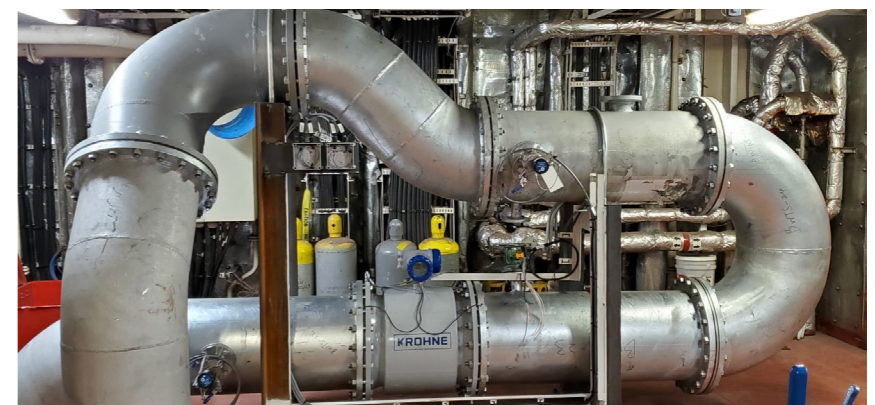
Algoma maintains ballast water and biofouling management best practices and programs. As of the end of 2023, 18 Algoma vessels were equipped with ballast water treatment systems - all eight of our ocean-going international fleet and ten vessels in our domestic Great Lakes – St. Lawrence fleet. Approximately 50% of our domestic fleet will be equipped with systems by the end of 2024.

As we proceed with fitting and using systems on our domestic fleet, as required by the 2021 Canadian Ballast Water Regulations and U.S. rules, our crews have experienced technical difficulties with treatment systems and observed operational challenges in treating the waters in some ports in the region. The IMO has recognized that treatment issues occur in areas with challenging water quality and is studying this as part of the ongoing Ballast Water Convention review. Both Canada and the United States have acknowledged the unique challenges and operating environment and are actively studying this issue specifically in Great Lakes-St. Lawrence waters. Algoma continues to work closely with researchers

to provide access to our vessels for sampling and testing in the collective effort to better understand these issues and evaluate whether the mandated IMO/USCG approved ballast water treatment systems are effective in these waters and on our unique vessels. We also continue to work with regulators to advocate for practical policies to highlight ballast water treatment challenges in the region and to consider whether alternative solutions can be sought.



Ballast water treatment system on the *Algoluna*



Ballast water treatment system on the *Radcliffe R. Latimer*.

## Underwater Noise

Underwater radiated noise from commercial ships is known to cause adverse impacts on marine mammals. For this reason, the IMO released their 2023 Guidelines for the Reduction of Underwater Noise from Commercial Shipping, providing updated technical knowledge and an overview of approaches available to designers, shipbuilders and ship operators to reduce the underwater noise caused by vessels.

Algoma has been making efforts to better understand the underwater noise profiles of our vessels. We have provided annual financial and in-kind support since 2021 to the Marine Acoustic Research Station (MARS) project co-led by the Université du Québec à Rimouski (UQAR) and Innovation Maritime (IMAR) and have obtained the acoustic signature of selected Algoma vessels as they transit through the MARS listening station in the St. Lawrence River. The collected data from these transits is analyzed by the MARS research team for comparison to noise signatures of other vessels of the same size and type and to suggested maximum noise levels. Certain vessels are also selected for more detailed analysis, whereby acoustic measurements are supplemented by on board vibration and noise diagnostics as the vessel transits through the station. This allows for identification of equipment and processes that contribute to the overall sound profile of the ship.

From 2021 to 2023, 16 individual Algoma vessels made 57 transits through the noise measuring station and detailed diagnostic testing was conducted on four vessels. As expected, cavitation from the vessels' propellers was found to be the main source of noise in most cases, although on four vessels the propulsion system was more prominent. In addition, an increase in noise levels was generally observed with increased vessel speed, with some exceptions. It was notable, but not unexpected, that the new Equinox Class vessels were observed to be less noisy than older vessels, given the noise mitigation measures that were implemented as part of the vessel design and construction.

We are committed to continuing support of this project through 2025 and are working with the MARS team to identify further research objectives. The data and analysis provided by the MARS project will help to inform Algoma's development of an underwater noise management plan as per the IMO Guidelines.



## Marine Mammal Protection

Since 2020, Canada has implemented protection measures for the endangered North Atlantic Right Whale in the Gulf of St. Lawrence and Cabot Strait area to mitigate the risks related to ship strikes and fishing gear entanglement. These measures appear to be positive as there were no known whale deaths observed in Canadian waters in 2020 through 2023. Algoma vessels that operate in these areas follow all recommended and regulatory measures designed to reduce ship strikes, including adhering to the voluntary seasonal slow-down through the Cabot Strait.

Algoma also participates in the Réseau d'Observation de Mammifères (ROMM)/Marine Mammal Observation Network to compile observational data on whales in the lower St. Lawrence River and Gulf of St. Lawrence. Since we began in 2018, our crews have reported a total of 452 whale observations, including 75 in 2023. These observations contribute to the whale tracking and protection efforts in the region.



## Environmental Performance

	OUR PRIORITIES	OUR PROGRESS	NEXT STEPS
<b>PROTECT MARINE ECOSYSTEMS &amp; BIODIVERSITY</b>	Reduce Aquatic Invasive Species Transfer Risk	<ul style="list-style-type: none"> <li>Ballast water treatment systems (BWTS) installed on 18 vessels                             <ul style="list-style-type: none"> <li>International fleet = 8</li> <li>Domestic/Great Lakes fleet = 10</li> </ul> </li> <li>Two vessels participating as testing platforms for Great Lakes BWTS research</li> </ul>	<ul style="list-style-type: none"> <li>3 additional systems to be installed on our domestic fleet in 2024                             <ul style="list-style-type: none"> <li><i>Algoma Bear, G3 Marquis, and Algoterra</i></li> </ul> </li> <li>Continue to evaluate ballast water treatment systems operability and effectiveness</li> </ul>
	Marine Mammal Protection	<ul style="list-style-type: none"> <li>Marine mammal observations reported by our crews:                             <ul style="list-style-type: none"> <li>51 in 2022</li> <li>75 in 2023</li> </ul> </li> <li>Follow regulatory and voluntary mandates to reduce risk of ship strikes</li> </ul>	<ul style="list-style-type: none"> <li>Continue to encourage crew participation in whale observations and training</li> </ul>
	Underwater Noise Management	<ul style="list-style-type: none"> <li>Supporting/participating in MARS underwater noise research program                             <ul style="list-style-type: none"> <li>Sound signature measured on 16 vessels</li> <li>Detailed diagnostic vibration and acoustic assessment conducted on 4 vessels</li> <li>All Equinox Class vessels that were measured are below recommended noise levels</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Additional MARS support and testing is planned</li> <li>Development of an Underwater Noise Management Plan in 2024</li> </ul>
	Prevent Leaks and Spills	<ul style="list-style-type: none"> <li>Introduced an enhanced engine room cleanliness standard</li> </ul>	<ul style="list-style-type: none"> <li>Maintain rigorous spill prevention and response programs</li> </ul>
<b>MINIMIZE ENVIRONMENTAL FOOTPRINT</b>	Reduce GHG Emissions <ul style="list-style-type: none"> <li>40% intensity reduction by 2030</li> <li>2% annual average intensity reduction</li> <li>Net-zero by 2050</li> </ul>	<ul style="list-style-type: none"> <li>1.3% annual average reduction and overall 18.3% reduction in 2023 in our dry-bulk fleet (since 2008)</li> <li>Conducted biofuels trials</li> <li>Invested in fuel consumption optimization equipment on 10 vessels</li> <li>Installed energy efficiency devices (ShaPoli, EPL, propeller boss cap fins) on ocean fleet</li> </ul>	<ul style="list-style-type: none"> <li>Continue biofuels use and trials</li> <li>Take delivery of methanol-ready vessels and dual-fuel product tankers</li> <li>Continue to implement energy efficiency measures and devices</li> <li>Continue to collaborate with GSCN partners</li> </ul>
	Reduce SOx Emissions	<ul style="list-style-type: none"> <li>Invested in Exhaust Gas Scrubber control system upgrades in 2022/23</li> </ul>	
	Reduce Waste Generation	<ul style="list-style-type: none"> <li>Diverted from landfill; 66.1 tonnes organic waste, 41.2 tonnes recyclables</li> <li>Continued participation in IMPA Save</li> </ul>	<ul style="list-style-type: none"> <li>Continue to invest in recycling and waste reduction programs</li> </ul>
	Maintain Average Score of 4 out of 5 in Green Marine	<ul style="list-style-type: none"> <li>Achieved scores:                             <ul style="list-style-type: none"> <li>2022: 4.3</li> <li>2023: 4.4</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Maintain and implement annual Green Marine improvement plan</li> </ul>
	Practice Responsible Ship Recycling	<ul style="list-style-type: none"> <li><i>Algoma Transport</i> recycled in Port Colborne, Ontario</li> </ul>	<ul style="list-style-type: none"> <li>Review our Ship Recycling Policy in 2024 in line with the coming into force of the Hong Kong Convention</li> </ul>



# Social



Ensure a Safe & Healthy Workforce



Foster Employee Growth & Development

# Safe & Healthy Workforce



## A Culture of Safety

At Algoma, safety is at the forefront of everything we do. We target zero harm and strive to create a working environment where everyone is equipped with the knowledge and resources to keep themselves and others physically and mentally safe. In 2023, new communication and training tools were introduced to enhance our safety program.

## Safety Management

The foundation of our long-standing safety culture is our Safety Management System (SMS), certified to meet the requirements of the global international Safety Management Code and the OHSAS 45001 health and safety standard. These standards serve to enhance employee safety, mitigate risk, and foster safer working environments through systematic risk assessment and management. To keep safety top of mind at all times, we use several safety processes and tools throughout our fleets. We incorporate regularly scheduled drills and exercises simulating real-life situations into our programs. Understanding of safety practices and procedures is assessed through competency assessments, quizzes, and thorough reviews of shipboard and shoreside responses to drills.



During the past two years, we embarked on a significant improvement to an integral element of our safety management system, transitioning our Fleet Management System from Shipnet Fleet to its newer platform Shipnet One. This provides us with an upgraded planned maintenance system, improved occurrence reporting and better functionality, strengthening our efforts towards reliability, preventive and corrective actions, and ultimately operational excellence.

## Training

Effective training is a crucial aspect of our safety program. In 2023, we elevated our training by transitioning our “classroom-style” learning to our new online Learning Management System (LMS). Our existing modules were reviewed and updated and uploaded into the LMS along with new topics. This change provides employees with up-to-date safety information presented in a more interactive and engaging format. Knowledge checks are conducted throughout the training and users can monitor their progress, receive real-time feedback on answers, and review concepts as many times as they wish. They may also complete basic elements of their training prior to joining a vessel, allowing them to be better prepared upon arrival.

## Strive Together

In 2023, we enhanced our safety communications with the release of our monthly Strive Together Newsletter. This tool allows for the delivery of timely information including topics such as: new near misses, hazard ID’s and learnings; safety and environmental alerts; preventative measures; training and operational excellence updates. Shipboard staff have opportunities to submit

content, as well as nominate a fellow crew member for “Most Valuable Bear” - an award that recognizes above and beyond actions that exemplify Algoma’s core values. Strive Together is shared with all shipboard teams, office staff, and union partners.

## Partnerships

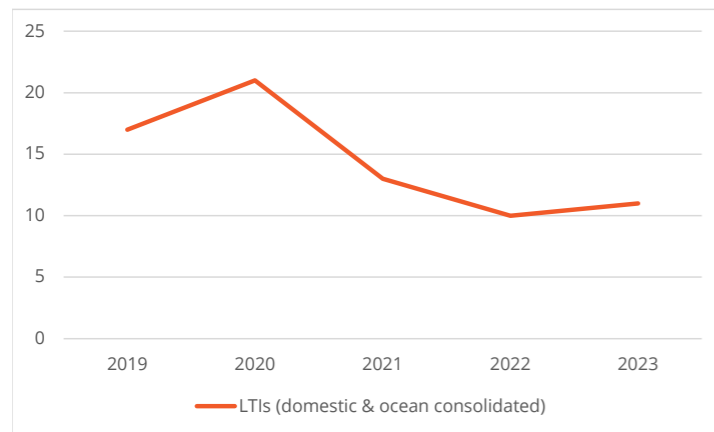
Safety extends to our customers, suppliers, contractors, business partners, and overall industry. Elements of our safety program have been informed by existing world-class practices and procedures, and we regularly share common hazards and learnings throughout our network, together identifying new safety standards. Members of Algoma’s safety team are active participants in the Chamber of Marine Commerce (CMC) safety working group, a group dedicated to working with industry stakeholders and regulators on common issues.

## Safety Performance

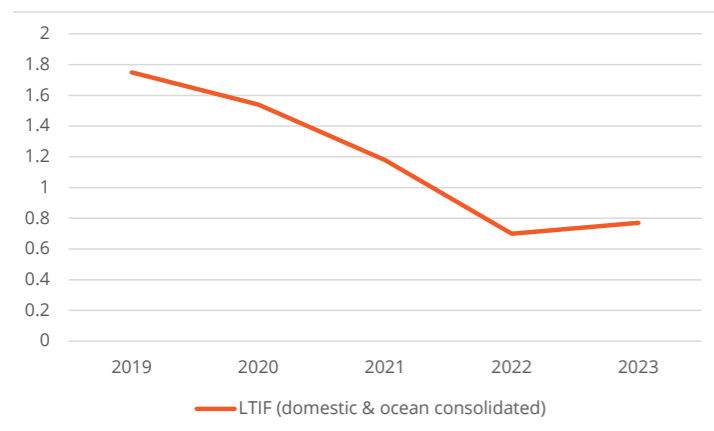
We continue to see an overall downward trend in lost time injuries, with the lowest in our history at ten in 2022.

With a safety goal of zero lost time injuries, there is more work to be done. We continue to analyze injury trends which has helped identify mooring line operations, hand and finger injuries, and permitting processes as areas to focus on as we aim to further reduce and ultimately eliminate lost time injuries.

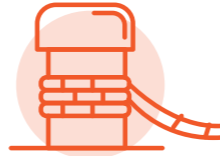
### Lost Time Injuries



### Lost Time Injury Frequency (per 200,000 hours worked)



**Hand and Finger Injuries:** An increased trend in this category of injury was identified and we responded by enhancing our offering of protective handwear (we introduced impact resistant and anti-vibration gloves), highlighting the importance of PPE and best practices at our annual Captains and Chiefs conference, and increasing communication efforts via our existing tools.



**Mooring line operations:** In our last report we outlined several changes we made to improve the safety of line handling, such as in-depth reviews of related incidents or near misses and procedures, identification and clear labelling of snap-back zones on vessels, and the replacement of over 200 old ropes with new lines specifically designed to resist snapping back should a break occur. We continue to focus on increasing communication around these improvements through existing tools such as safety stand-down presentations, safety alerts, and sharing learnings from near misses and external incidents. We also introduced a new line handling training module in our LMS.



**Permitting Processes:** We strengthened our permitting processes for confined spaces and introduced permits for diving operations and guarantee of electrical isolation. The diving permit resulted from learnings from a near miss incident in which no one was injured. Our team analyzed the root cause, recognized an opportunity for improvement, and made the necessary changes to our SMS procedures to proactively prevent an actual incident from occurring – an example of our Hazard ID program in action.

### A Safe Start

Our mission to keep everyone safe extends beyond employees of Algoma. For many years our team has been visiting Canadian marine schools to provide safety training, instilling in marine students the importance of safety from the very beginning of their careers. Our team introduces learnings from real-life incidents, the purpose of safety management systems, and tools and practices they may use when they step on board. While we hope to see them on our vessels one day, it is important to us that all future seafarers are equipped with the foundations of safety regardless of where their careers lead them.



## Safety Performance Summary

	OUR GOALS	OUR PROGRESS	NEXT STEPS
<b>ENSURE A SAFE &amp; HEALTHY WORKFORCE</b>	Reduce Number of Lost Time Injuries with a Goal of Zero Harm	<ul style="list-style-type: none"> <li>10 LTIs occurred in 2022, a 23.1% improvement from 2021 and our lowest number of LTIs in history</li> <li>11 LTIs occurred in 2023</li> </ul>	<ul style="list-style-type: none"> <li>Continue to utilize the tools we have put in place to strive for zero injuries</li> </ul>
	Reduce Lost Time Injury Frequency (LTIF) (per 200,000 hours)	<ul style="list-style-type: none"> <li>LTIF decreased from 1.18 to 0.7 in 2022, an improvement of 40.7%</li> <li>LTIF increased slightly to 0.77 in 2023</li> </ul>	<ul style="list-style-type: none"> <li>Continue to utilize the tools we have put in place to strive for zero injuries</li> </ul>
	Increase Safety Communications	<ul style="list-style-type: none"> <li>Launched monthly safety newsletter, Strive Together</li> <li>Presentations with new information and areas of focus shared at annual fit-out meetings and Captains and Chiefs conferences</li> </ul>	<ul style="list-style-type: none"> <li>Continue to identify areas of focus based on incident trends and utilize communication tools to share information</li> </ul>
	Enhance Training	<ul style="list-style-type: none"> <li>Reviewed existing training videos and upgraded content where necessary</li> <li>Launched upgraded modules on our new Learning Management System and added modules with new topics altogether</li> </ul>	<ul style="list-style-type: none"> <li>Continue to expand content on LMS and assess effectiveness</li> </ul>
	Improve Line Handling Safety	<ul style="list-style-type: none"> <li>Increased training and awareness of new measures put in place during the last reporting period through safety alerts, sharing of incidents and near misses, and a new training module on our LMS</li> </ul>	<ul style="list-style-type: none"> <li>Continue to educate about line handling safety through our various communication tools</li> </ul>



Fit-out meeting onboard the Algoma Transport



Georgian College & Algoma Galley Training Course

***"Safety is not about statistics or money, it is personal. It is about family, you and your family."***

- Dan Fournier, Safety Manager



## Health & Wellness

Algoma offers an Employee Family Assistance Plan (EFAP), a confidential program providing support services for employees and their immediate family members through a third party. In 2023 we transitioned to an expanded platform with new tools and resources to better serve the diverse needs of our employees and their families. Counseling services can be accessed via phone, website, mobile app and online chat, allowing users to choose which modality best suits their needs and comfortability levels. The platform hosts a personalized library of well-being content including articles, videos, podcasts, and toolkits.

We recognized the benefits of our Virtual Health Care Program when it was implemented during the COVID-19 pandemic and have since worked to integrate it into our toolbox as we returned to business as usual. Our team connects any crew member seeking medical support for a non-emergency concern with a doctor who conducts a virtual assessment, getting the employee the support they require sooner. Our team then makes any necessary arrangements to connect the employee to the services they need.

## Mental Health

In addition to introducing an enhanced version of our existing EFAP, we expanded coverage for mental health services in some of our benefits plans. We also provided training to Captains and Chief Engineers detailing the importance of supporting an employee's mental health, how to recognize signs that an employee may need

support and how to best support them in that moment, and connect them to any additional services.

In May 2023, Algoma became the first fleet on the Great Lakes to install Starlink Maritime, a significant investment in cutting edge technology that provides internet in remote places traditional services cannot reach. This will provide employees with the means to stay better connected with their loved ones while away on board, a key part of mental and emotional well-being.



Starlink Maritime installed on the *Algoma Sault*



DEI training at Algoma's 2023 Captains & Chiefs Conference

## Diversity, Equity, and Inclusion (DEI)

Algoma is strongly committed to fostering a working environment where all employees feel safe, valued and able to thrive, and where their unique ideas and perspectives are always welcome. This commitment to fair and equitable treatment and inclusion is reflected in our Employment Equity, Respect in the Workplace, and Workplace Harassment and Violence Prevention policies.

### Our DEI Strategy

To strengthen our DEI efforts, we developed a strategy outlining our immediate and long-term goals and next steps. It is our hope the results will lead to higher employee satisfaction and engagement, increased creativity and innovation, and reduced turnover. Accomplishments to date include awareness training for ship and shoreside leadership, harassment training completed by 810 employees, employee feedback regarding DE&I efforts, and establishment of a DE&I council. The council consists of a diverse group of ship and shoreside employee volunteers with an aim to:

- Promote a healthy, diverse work environment that fosters engagement and inclusivity
- Advocate for inclusion of under-represented and marginalized groups
- Create awareness across the organization
- Focus on areas for improvement and offer recommendations and potential solutions for positive change
- Strengthen Algoma's core values, policies, and practices

The council is an instrumental resource, providing employee insight and feedback as we further expand company-wide initiatives. Next steps in the implementation of our strategy includes developing a new DEI training module for our LMS, exploring employee mentorship and support opportunities, and ensuring alignment with our strategy in our recruitment practices.

We have zero tolerance for harassment of any kind at Algoma. Please see the Ethics and Compliance section of this report [here](#) to learn more about our governance practices, or to anonymously make a report.



## Community Impact

Contributing to the sustainability of the communities in which our employees live and work has been a long standing practice at Algoma. We are committed to supporting the vitality of the economic, social, and environmental wellbeing of the regions in which we operate.

Algoma's Community Involvement Committee (CIC), formed in 2018, leads Algoma's annual United Way (UW) campaign and organizes recurring events and initiatives along with new opportunities for community engagement.

### United Way

Our dedication to giving back is most notably demonstrated by our decades of commitment and involvement with UW. It is important that we support the communities in which our employees live across Canada, and this was our primary consideration when making UW our charity of choice. When contributing to our annual UW campaign, employees have the option to choose a United Way Centraide or any recognized charity across Canada that is close to their heart. Algoma's company match doubles the impact of our employee's UW donations across Canada. Including the company match, Algoma raised nearly \$246k total for UW in 2022 and 2023.

## 2023 United Way Corporation of the Year Award Recipient



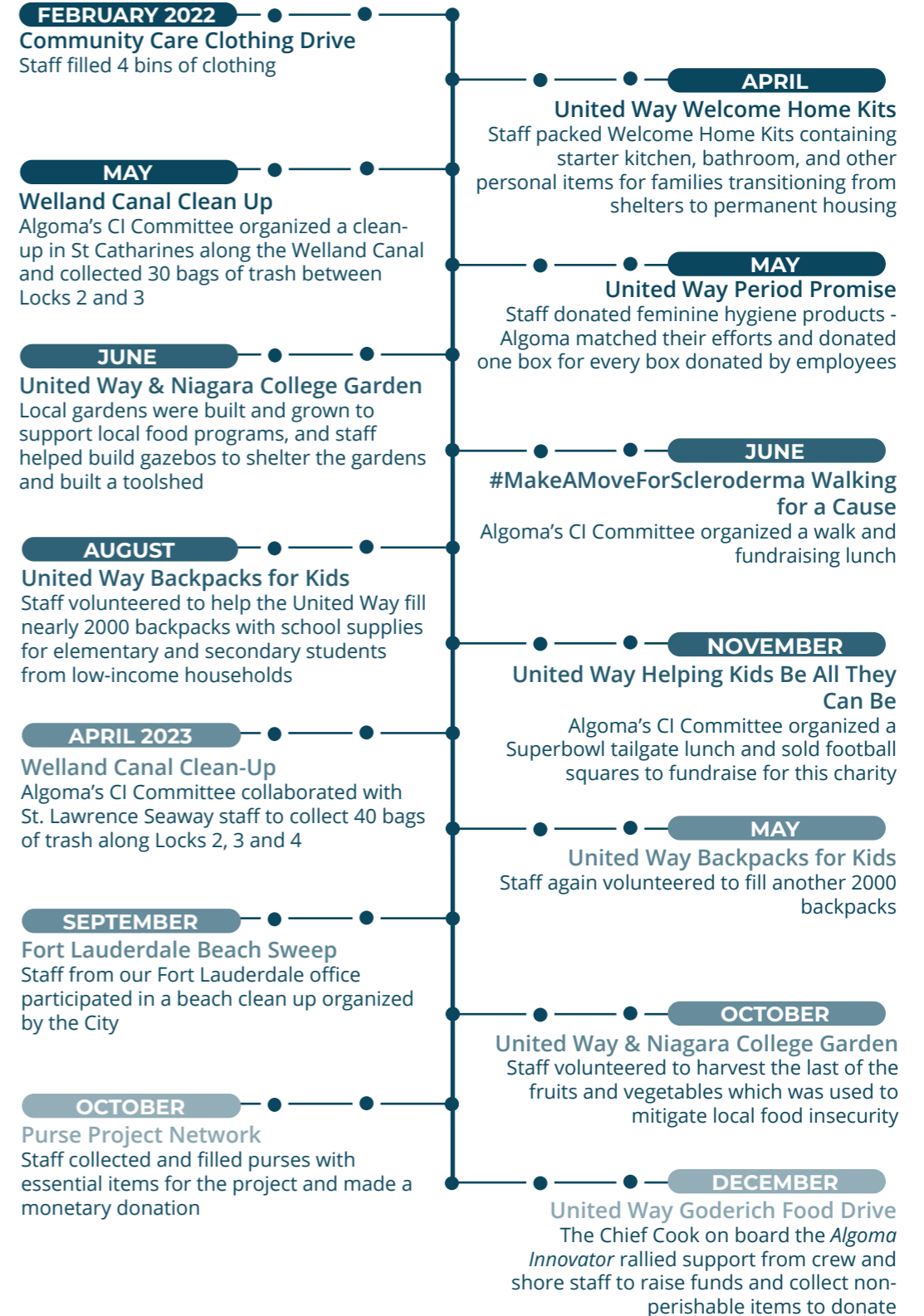
## Canada Games

We are proud to have partnered with the Niagara 2022 Host Society of the Canada Games as the presenting sponsor of one of the 13 For 13 Cultural festival events, a concert series that celebrated the cultural heritage and identities of Canada's 13 provinces and territories. Our sponsorship event celebrated Newfoundland and Labrador, a province in which many of our employees reside, through a day of entertainment, food, art, and dance.

We were also the naming sponsor of a 1,200-seat arena at the Canada Games Park and Walker Sports and Abilities Centre in Niagara where the Games were held. The arena has been named the Algoma Central Arena and is home to Brock University's men's and women's intercollegiate hockey programs, local hockey games and tournaments, and is fully accessible and para-sport capable. During the off season, the Algoma Central Arena is used for box lacrosse leagues.



Algoma Central Arena at Canada Games Park



# Foster Growth & Development



## Training & Mentorship

It is crucial that Algoma employees are equipped with the necessary knowledge and skills to safely and confidently engage in their work. We recognize the diverse learning styles that exist amongst our employee group and have developed training programs to reflect this, setting everyone up for success.

## LMS Expansion

A new role, dedicated to the development and management of our new LMS training initiative, was created, demonstrating our commitment to equip our employees with the tools needed to excel.

Algoma's LMS, first introduced and tested on eight vessels in 2021, is an online library of training modules incorporating written, visual, and audio formats, catering to a variety of learning styles and presenting information and processes found in our Safety Management System, Employee Handbook, and other company resources. Employees are provided with a personalized login and assigned modules relevant to the unique needs of their role and vessel. Some modules must be completed before new employees board a vessel, familiarizing them with introductory policies and procedures, as well as the equipment they can expect to be working with well in advance. Others can be completed at the employee's own pace, allowing them to review certain sections and complete

interactive knowledge checks to ensure understanding.

The LMS was introduced to the remaining vessels in Algoma's domestic fleet in April 2023. Since then, 58 courses have been uploaded to the system with 9,108 course registrations as of December 31, 2023.

Examples of modules include:

- Code of Conduct
- Shipboard Orientation
- Roles and Responsibilities
- Harassment Prevention
- Hazard Communication
- Personal Protective Equipment
- Job Safety Analysis
- Environmental awareness
- Sustainability awareness
- Deck Department Equipment
- Engine Room Department Equipment
- Mooring Line Handling

**2,673 training hours completed (2023)**

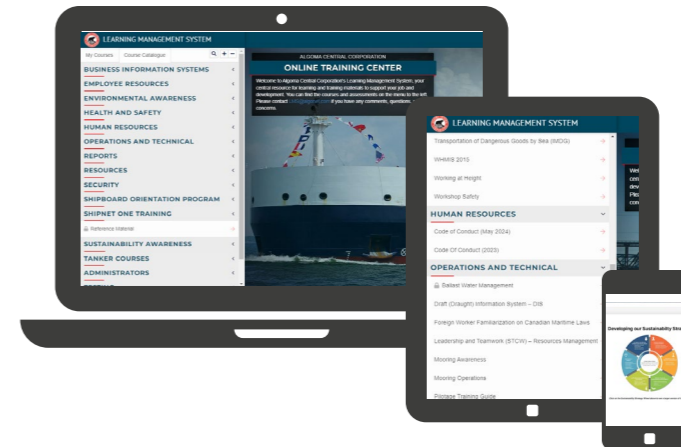
**9,108 total course registrations (2023)**

**83% course completion rate**



Algoma's overall vision for the system is to function as a platform for all e-learning and blended learning, including soft skills and technical training, covering a variety of sustainability topics. Our goals for 2024 include:

- Continuing to upgrade our current safety videos and training
- Expanding the system to our ocean self-unloader fleet
- Launching e-onboarding for our Ocean and Domestic fleets
- Broadening course offerings by adding more social and environmental topics
- Developing a skill grader to measure the impact of our e-learning operations



**\$10 Million**  
2022/2023 Training Investment

## In-Person Training

E-learning is only one facet of our robust approach to training and is supplemental to the hands-on experience we deliver in person. Several programs offered to employees are developed in-house by our own specialists, including:

- **Annual Captains & Chiefs Conference:** Focused day and a half of training, workshops, and team-building activities with senior officers and shoreside staff.
- **Mate School:** An in-depth, two-day training course led by Operations and Technical departments designed for newly promoted First Mates and Junior Officers with promotion potential. The course covers topics such as voyage planning, cargo operations, and other responsibilities.
- **Training Captains & Chief Engineers:** A robust program combining in-person shadowing, hands-on, and third-party training for employees expected to be promoted to Captain or Chief Engineer, with length of the program tailored to the unique needs of each individual.
- **Pilotage:** A program managed by a dedicated office resource to support Captains and Mates in obtaining their pilotage certification to the standards of the Great Lakes Pilotage Authority (GLPA).

Our team also works collaboratively with industry partners to create unique training courses aligned with Algoma's values and strategies. We partnered with the experts at Georgian College to offer additional experiences for Algoma employees:

- **Bridge simulation training:** A custom shiphandling course was designed for Officers who will be assigned to work on the *Algoma Bear*, our newest Equinox Class newbuild bulker, to familiarize them with how the vessel will operate before it begins trading in our Domestic Dry Bulk fleet. The training simulates what it will be like at the helm, taking participants through geographic locations the vessel will trade in (canals, channels, ports, etc.), traffic situations, arrival, departure and anchoring situations.
- **Galley training:** Our existing program was revamped with a focus on cooking for health and culture. Our galley staff received comprehensive training and resources to address the diverse dietary needs of our crews. This initiative not only promotes well-being but also fosters a sense of community and cultural appreciation on board our vessels. Algoma's purchasing team also contributed to the new program, offering guidance on ordering cycles and managing inventory to reduce food waste.

## Third Party Training

Algoma also supports employees in attending training courses offered by third parties around the world. Some training our employees had the opportunity to attend in 2022 and 2023 include:

- Bridge Resource Management
- ECDIS
- Pilotage
- Shiphandling
- GLPA Train the Trainer
- Advanced Chemical Tanker
- Advanced Oil Tanker
- Leadership & Management
- Marine Advanced First Aid
- Marine Medic Care
- Galley Management
- Ship Security Officer
- STCW Refresher Training
- Dale Carnegie High Impact Presentation training
- Dale Carnegie Leadership training



Georgian College Shiphandling training using the Bridge Simulator.



STCW training at Georgian College.

## Professional Development

Algoma strives to create a working environment in which employees choose to grow and develop throughout their career until retirement. We recognize continuous learning and advancement are important in an engaging and fulfilling career and we maintain programs and initiatives to foster this for existing and potential employees.

## Leadership Training

In 2023, we organized Leadership Training led by Dale Carnegie instructors for all new leaders, whether newly promoted or hired, to participate in this annual offering. Our leaders have great influence over their team's dynamic, and it is important they foster a safe, welcoming, and engaging work environment. This initiative aims to develop and strengthen leadership skills in our shipboard and shoreside management, focusing on topics such as: personal leadership (values), time management, developing trust and rapport, communicating to move others to action, and disagreeing agreeably. A group of 20 completed the initial training, and we plan to continue to develop a further phase for attendees to participate in the following year.



Photo above: employees at Dale Carnegie Leadership Training.

## Training Captains Program

This unique program significantly contributes to the sustainability of Algoma's operations. For years we have faced the challenge of an ongoing industry labour shortage, and our Training Captains program addresses this issue directly by having our skilled and experienced Captains mentor the next generation through customized training.

Over the last two years we grew our program significantly in scale and intensity. Employees expected to be promoted to Captain are identified, and their specific development needs assessed, following which an individualized plan is created. Plans include: experience on different types of vessels; enrollment in third party, offsite courses such as ship handling and simulation training; leadership and management training; participation in our Pilotage Program (detailed to the right); opportunities to shadow expert Captains on board; and regular performance evaluations to continuously monitor progress and identify where further support may be required.

We also run a Training Chief Engineers program in a similar structure, tailored to the building the knowledge and skills required for this particular role.

## Pilotage Program

Algoma continues to focus on supporting our Captains and Mates in obtaining and maintaining their highly specialized GLPA (Great Lakes Pilotage Authority) certificates (learn more about pilotage requirements on the Great Lakes and the GLPA [here](#)).

Our goal is to achieve a fully self-piloting fleet of dry-bulk vessels, with each Captain and at least one other officer holding certification on a vessel. This is a highly involved process, and we have dedicated a full-time shoreside office resource to assist with the execution of training to the standards of our regulatory partners and to monitor and support the progress of program participants (read more about the Great Lakes Marine Pilotage Certificate Training Program [here](#)).

Oversight of the Pilotage Training and Certificate process within Canada has recently changed responsibility from the local Pilotage Authorities to Transport Canada, who is in the proposal stage of developing a National Pilotage Certificate and Training Program (NPCTP). First drafts of the proposed training program have posed many challenges and deviate significantly from the current Great Lakes Marine Pilotage Certificate Training Program (GLMPCTP). It is a concern that this will ultimately cause further difficulties and setbacks to seafarers looking to achieve their pilotage certificates within Canada, therefore it is vital that the integrity of the current training program, which has proven safe and effective, be maintained. Due to familiarity with their own ship, company certified Mates and Captains have a better safety record than GLPA licensed pilots.

A forward-looking goal for our program in 2024 is to streamline our reporting process for trainees and certificate holders. We aim to reduce manual data entry of program progress into our system, thereby allowing more time for participants to focus on their training.

### 2022/2023 Training Achievements



**36 Training Captains Enrolled**



**7 Training Chief Engineers Enrolled**

Number of program participants year over year is highly influenced by market demands and operational needs.

## Further Education

Algoma encourages our employees to pursue further education and offers financial and administrative support to eligible employees to update their skills and specific certification requirements and increase their potential for promotion and career progression. Support may include covering tuition fees for specific courses required for upgrading or achieving new certification, living expenses, or other related educational costs. In 2022/2023 we supported 24 employees in upgrading their certificates.

## Algoma's Kin Scholarship Program

Algoma also offers scholarships to dependents of employees pursuing post-secondary education, whether their program of choice is marine-related or in another field. To date, Algoma has provided \$664,000 to 258 students to support them in their first year of school.

## Cadet and Co-op/Internship Programs

Algoma celebrates all students with a passion for marine careers, and while we hope they make us their employer of choice after graduation, we feel it is our duty to play our part in ensuring the vitality of our industry by supporting all seafarers of the future. One of the biggest ways we exemplify our commitment to emerging seafarers is through our Officer Cadet and Co-op/Internship programs through which we offer many opportunities for berths on vessels as well as co-op/internship opportunities in shore-based positions. These work terms offer students valuable, hands-on experiences, putting what they have learned in

the classroom into practice while gaining new knowledge, skills, and general mentorship from our exceptional crews. For marine school students enrolled in nautical science or marine engineering, Algoma is proud to offer unique opportunities on vessels of various types and ages, equipping them with a wide range of experience and a competitive advantage upon graduation.

Cadets have a set number of "sea days" they are required to complete to graduate, and we are proud to report we hosted cadets on board Algoma vessels for nearly 10,500 days during 2022/23.

We also support students enrolled in marine programs such as Bridge Watch Rating, Engine Room Rating, and Ship's Cook. These students, like the Officer Cadets, will spend time on board our different vessels, collecting the seetime required for course completion, certification, and ultimately a position on board a vessel. Similarly, for shore-based roles, we host co-op students/interns from various programs in a wide variety of departments and roles.

## Supporting our Marine Schools

Algoma is in proud partnership with marine schools across Canada and has remained actively involved in supporting their efforts to equip the next generation of seafarers with the knowledge, skills and tools they need to succeed. We annually present scholarships to students in nautical science and marine engineering programs and awarded \$28,000 to aspiring seafarers in the last two years. Algoma has also continued to participate in and sponsor unique knowledge and skill-building events, such as:

- **Nova Scotia Community College (NSCC) Nautical Skills Competition:** Navigators and Engineers are teamed together to test their proficiencies where safety, regulatory knowledge and technical skill are demonstrated
- **Nautical Skills Competition by Master Mariners:** Open to nautical science students at the Fisheries and Marine Institute of Memorial University, as well as elected students from local high schools, participants put their skills to the test in different challenging exercises

In 2023 we committed to sponsoring Georgian College's 2024 Marine Event Series. The events are designed for diverse existing and prospective students, creating opportunities to:

- hear from and network with industry;
- learn from and celebrate women in marine careers on International Day for Women in Maritime;
- and attend a youth summer camp with a marine skills focus.

As we look forward to these events throughout 2024, we will continue to identify unique opportunities to support our future mariners.



Cadets at Ontario Shipyards, Port Weller Dry-Docks

## Employee Engagement

We strive to create an environment in which employees feel highly engaged with Algoma from recruitment to retirement. From training and professional development programs to opportunities to get involved in innovative solutions in areas such as safety, environmental protection, and operations excellence, we look for ways to support an exciting and fulfilling career.

## Recruitment

As the Canadian maritime industry continues to face challenges in securing skilled seafarers due to an ongoing labour shortage, Algoma has been working diligently to raise awareness of the incredible opportunities available in our organization, and in the marine industry overall.

We have always been highly engaged with Canadian marine schools and are proud to support their students, and it is our hope that they choose to work with Algoma upon graduation. To inspire careers in the maritime industry at an earlier age, Algoma employees have been presenting opportunities in the marine industry at career events for high school students for years.

In 2023 we took these efforts further by sponsoring Marine Month, an initiative organized by Canadian Geographic Education (CanGeo) and the Canadian Marine Careers Foundation (CMCF). Members of our team collaborated with CanGeo and the CMCF to create educational material about careers in the industry, both on board and ashore, for students in grades 5 to 8 across Canada. This included

interactive activities, virtual presentations, and a video demonstrating “a day in the life” of a seafarer on board the *Algoma Conveyor*. To experience what it would be like to work on one of our vessels, you can view the video [here](#).

Another avenue we began exploring during the publication of our last report was the recruitment of foreign workers. Our intent was to increase and diversify the labour pool by sourcing qualified and experienced candidates from other countries and supporting them in the transition to working and living in Canada. As the war in Ukraine escalated in 2022, we identified an opportunity for Algoma to help, and our efforts became focused on supporting Ukrainian seafarers wishing to relocate their families to Canada.



On recommendation and consultation with the Canadian maritime industry, Transport Canada has actively worked with other administrations to sign Reciprocal Agreements, which allow for foreign seafarers holding a STCW Certificate of Competency under one of those administrations to apply for a Canadian Endorsement. Thanks to this initiative, Algoma hired 29 Ukrainian seafarers during the reporting period and supported their integration through:

- Assisting with applications to Transport Canada for certificate recognition
- Offering one-on-one training on board
- Offering a period of mentorship with experienced personnel for familiarization
- Assisting individuals in specific positions with their applications for permanent residency
- Check-ins from senior management during leadership ship visits to ensure they were receiving the support they needed

## Employee Survey

In 2023 we conducted our Employee Survey measuring employee engagement, contentment, job satisfaction and commitment to Algoma. We expanded the survey in 2023 to include items related to DE&I and sustainability to benchmark employee perceptions of our efforts in these areas. Participation was voluntary and anonymous, and the resulting takeaways allowed us to identify areas where we excel or can improve, and will help guide our decision-making processes, ensuring our strategic plan aligns with the needs and aspirations of our valued employees. Survey participation was well above industry benchmarks, and results were positive overall.

What we are doing well:

- Relationships amongst co-workers and supervisors are strong (e.g., caring, supportive, trusting)
- Our efforts to create an inclusive, diverse, and equitable culture were viewed very positively
- Views on our environmental and community efforts are positive, and the importance of sustainability for our future growth was emphasized
- Employees generally find their work engaging, with a diverse range of tasks and responsibilities
- Fewer employees are feeling stressed or burnt out compared to the 2020 survey.

**5.1/7 Employee Engagement Survey Score**

**61% Employee Response Rate (up from 43% in 2020)**



## Ship Visits

To further deepen working relationships and support open and honest dialogue between ship and shore we launched our Ship Visit project in 2022. Members of our senior leadership team were required to complete a day trip as well as an overnight trip of at least two nights, and report back with personal experiences and key learnings from discussions with crew members. In 2022, 12 members of our senior leadership team spent 71 days on board 17 different vessels.

The Ship Visit initiative in 2022 was so successful that we expanded it in 2023. We had 28 employees, director level and above, conduct 58 visits on 31 vessels.

## Employees Asked, We Listened

The following chart highlights feedback from our employees via the employee survey and the Ship Visit initiative and outlines the actions we are taking to address these areas for improvement.

### Where we can make further progress

More open communication between departments and business units

Training and development as well as perceptions on meaningful work (feeling fulfilled, connected to personal values and interests)

Some employees reported not feeling able to fully be themselves or meet their goals at work

Additional rewards, perks and recognition

Quality of some gear and equipment

Food freshness and consistency and have meal plans that include more accommodation for food allergies and dietary needs

### What we have done so far

- New internal communications strategy rolled out
- Launched monthly Strive Together operational newsletter
- Expanded Leadership Ship Visit initiative
- Starlink Maritime installed and smart phones assigned to all vessels
- Fit-out meetings covered a wider range of topics this year
- Expanded online Learning Management System
- Leadership training for both ship and shore
- Maintained meaningful contributions to our communities across Canada through the United Way
- Continue to focus on our positive environmental impact
- Roll-out of new DEI strategy
- Executive team DEI training
- DEI council established
- Most Valuable Bear (MVB) recognition in Strive Together newsletter
- Launched expanded Employee Family Assistance Plan (EFAP)
- A different style of coveralls is now available throughout the fleet
- Ordered an improved style of work gloves
- Food budget increased to allow for better quality and a wider range of food
- Halal options are being explored
- Galley training with classes that covered vegan, vegetarian, gluten free, and diabetic meal options. A feedback form sent to employees on food options and needs, and what items could be added to the standard pick list

## Top Employer

In 2023, Algoma was proudly selected as one of Hamilton-Niagara's Top Employers, a special recognition of our commitment to creating an exceptional workplace, fostering a culture of inclusivity, investing in employees' well-being, and developing our workforce for the future. It highlights Algoma as an outstanding employer and the many fulfilling career opportunities in the marine industry. This annual award program, organized by Canada's Top 100 Employers, evaluates companies that excel in several key areas.





**OUR SOCIAL PERFORMANCE SUMMARY**

OUR PRIORITY		PERFORMANCE	NEXT STEPS
<b>ENSURE A SAFE &amp; HEALTHY WORKFORCE</b>	Health & Wellness	<ul style="list-style-type: none"> <li>Upgraded existing Employee Family Assistance Plan to a more robust platform</li> <li>Held mental health training sessions at our annual Captains and Chiefs conference</li> <li>Expanded coverage for mental health services in some employee benefit plans</li> </ul>	<ul style="list-style-type: none"> <li>Maintain the programs we have in place and continue to assess employee needs and explore opportunities to support their well-being</li> </ul>
	Diversity, Equity, and Inclusion	<ul style="list-style-type: none"> <li>Developed a new strategy and began implementation</li> <li>Established a DEI council consisting of employee volunteers</li> <li>DEI awareness training completed by shoreside leadership team</li> <li>Harassment training completed by 810 employees</li> </ul>	<ul style="list-style-type: none"> <li>Develop DEI training module for our LMS</li> <li>Explore employee mentorship opportunities</li> <li>Ensure alignment with our DEI strategy in our recruitment practices</li> </ul>
	Community Impact	<ul style="list-style-type: none"> <li>Awarded 2023 Corporation of the Year by the United Way</li> <li>Donated \$245,335 to the United Way in 2022/2023</li> <li>Partnered with the Niagara 2022 Host Society of the Canada Games to sponsor an event and the Algoma Central Arena</li> <li>Employees volunteered in person for over 14 initiatives in 2022/2023</li> </ul>	<ul style="list-style-type: none"> <li>Continue our ongoing support of the United Way and explore ways to support communities in person through volunteer opportunities</li> </ul>
<b>FOSTER EMPLOYEE GROWTH &amp; DEVELOPMENT</b>	Training & Mentorship	<ul style="list-style-type: none"> <li>Greatly expanded our Learning Management System (LMS)                             <ul style="list-style-type: none"> <li>Introduced 58 courses</li> <li>2,673 training hours completed</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Expand the use of our LMS</li> <li>Continue to explore the potential for unique training opportunities</li> </ul>
	Professional Development	<ul style="list-style-type: none"> <li>Introduced Leadership Training by Dale Carnegie and enrolled an initial 20 new leaders</li> <li>Supported 36 participants in our Training Captains Program and 7 in our Training Chiefs Program</li> <li>Supported 24 employees in upgrading their certificates</li> <li>Awarded \$28,000 in scholarships to students of marine schools in Canada</li> <li>Hosted cadets on board Algoma vessels for nearly 10,500 sea days</li> <li>Provided \$664,000 in scholarships to 258 of Algoma employees' children to date</li> <li>Committed to sponsoring Georgian College's 2024 Marine Event Series</li> </ul>	<ul style="list-style-type: none"> <li>Expand Leadership Training through the development of a new phase</li> <li>Maintain the success of our Training Captains, Training Chiefs, and Pilotage programs</li> <li>Streamline our reporting process for trainees and certificate holders in our Pilotage program</li> <li>Continue to support employees, cadets, and Algoma's kin in their further education endeavours through our various co-op, internship and scholarship offerings</li> </ul>
	Employee Engagement	<ul style="list-style-type: none"> <li>Named one of Hamilton-Niagara's Top Employers by Canada's Top 100 Employers in 2023</li> <li>Conducted our bi-annual employee survey and achieved an engagement score of 5.1/7 (shipboard) and 5.2/7 (shoreside)</li> <li>Introduced our Ship Visit initiative through which senior leadership spent 71 days on board 17 different vessels in 2022</li> </ul>	<ul style="list-style-type: none"> <li>Maintain our status as one of Hamilton-Niagara's Top Employers</li> <li>Conduct our bi-annual employee survey</li> <li>Continue our Ship Visit Initiative</li> </ul>



# Governance



Achieve & Maintain  
Operations Excellence



Promote a Strong Foundation

# Operations Excellence



The work we do at Algoma is driven by our commitment to perform at the highest standard of operational excellence. We define operations excellence as exceptional performance in safety and environment, incident reduction, vessel reliability and availability, and delivering value to our customers.

## Incident Prevention

Our Gold Flag program, in place at Algoma for nearly 20 years, recognizes and celebrates vessels that achieve and uphold operations excellence for at least 12 consecutive months. To be awarded a gold flag, a vessel must achieve: no recordable injuries (lost time, modified work, or medical aid); no spills; no damage over \$25k; no Port State Control detentions; and no major nonconformity during internal or external audits and inspections. At the end of the reporting period, 23 vessels were proudly flying gold flags – 68% of our total fleet (domestic and ocean included).

## Reliability & Process Improvement

Algoma employees go above and beyond with innovative ideas to improve our vessel reliability and processes, ultimately resulting in value for our customers.

The following are recent examples of operational excellence:



**Establishment of Continuous Improvement role:** Algoma has assigned a dedicated professional to facilitate identification of areas for development and implementation of improvement strategies. This person works to equip employees with the skills and knowledge needed to contribute to our continuous improvement efforts, thereby strengthening our overall performance, enhancing productivity, and maintaining our commitment to excellence.



**Extension of the Great Lakes operating season:** In our last report, we shared that Algoma took on a leadership role in working with industry stakeholders to advocate for an extended operating season for the Welland Canal in response to milder winter weather conditions. This resulted in the Canal remaining operational for an additional week. We are proud to update that since the pilot program launched in 2020, Algoma has transported an additional 878,824 metric tons (MT) of cargo through the Welland Canal during the extended period in January. If transported on our roadways, it would have taken approximately 31,500 trucks to carry the same amount as 18 vessels did in 42 trips. This represents a substantial increase in the volume of essential goods delivered to local and global communities with a significantly lower carbon footprint.



**Re-breaking the grain record:** In 2023 the Captain Henry Jackman broke the record for most grain cargo loaded into a single vessel in the history of the Port of Thunder Bay for the second time by 83 metric tonnes, totaling 31,445 MT.



**Increasing availability through flexible maintenance:** Dry-dockings for the *Algonova* and *AlgoCanada* were carried out in Europe for the first time due to the high quality and speed at which the work was able to be completed. We also conducted planned maintenance on our tanker fleet while the vessels were in service during downtime, for example while at anchor waiting for berth, requiring fast planning, flexibility and high collaboration between Algoma and our contractors. Both efforts resulted in the vessels being available for more days for our customers and improved reliability.



**Improved fuel consumption tracking and analysis:** In 2022 we trialed the propulsion optimization technology FuelOpt on the *Algoma Conveyor* and in 2023 we installed the system on an additional nine vessels. We also made a significant investment in the latest technology for fuel consumption monitoring, Coriolis Flow Meters, and installed them on three tankers and nine domestic dry-bulk vessels. These efforts will assist with achieving our carbon reduction targets.

# Promote a Strong Foundation



## Our Vision

At Algoma, our vision is to be the *Marine Carrier of Choice* for our stakeholders.

**For employees**, both existing and potential, we work to foster a supportive, rewarding environment in which they choose to grow and develop their career until retirement.

**For investors** and other capital providers, investing in Algoma offers a rewarding opportunity for sustained growth in the marine sector. With a strategic focus on fleet renewal, innovative design, partnerships, and environmental sustainability, Algoma emerges as the top choice for investors seeking a forward-thinking and resilient investment in the maritime industry.

**For vendors and our business partners**, we want them to value their relationship with Algoma because working together builds strength and mutual success.

**For society**, we provide sustainable, safe, secure, and cost-effective transportation of essential goods that North Americans and the world depend on in everyday life.

## Our Values



### INTEGRITY

We are honest, we are courageous, and we always strive to make the right choice.



### SUSTAINABILITY

We believe in our people, we care for our planet, and we work to ensure the prosperity of our stakeholders.



### TEAMWORK

We are stronger together.



### OWNERSHIP

We take accountability for our actions, and we are empowered to initiate change.



### PASSION

We are committed in heart and mind, we are driven, and we are proud.

## Senior Leadership

Our 10 person Board of Directors oversees company management and convenes several committees that meet multiple times throughout the year, as presented below.

Sustainability governance is the responsibility of Algoma’s senior management and is overseen by the Environmental, Health and Safety Committee of the Board of Directors, whose chairperson is an active member of the environmental community. Algoma senior management meets three times per year with the Committee to present company performance and plans related to environmental and health and safety issues. Get to know more about our BOD and Senior Leadership Team members on our website [here](#).

## Committees

**Audit Committee:** The mandate of the Committee is to conduct all activities required by applicable securities laws of an audit committee, including the review of the audited annual financial statements of the Company and acting as liaison between the Company and the external auditors.

**Corporate Governance Committee:** The Committee has general responsibility for developing, analyzing and reporting to the Board the Company’s approach to governance issues. This Committee works closely with the CEO of the Company to consider and develop position descriptions for directors, the Chairman, the Chair of each committee and the CEO and to define the limits of management responsibilities.

**Environment, Health & Safety Committee:** This Committee receives regular reports from management and meets with management three times each year to review environmental matters. This Committee also addresses health and safety issues affecting the Company’s employees.

**Executive Committee:** The main function of the Committee is to review major issues affecting the Company and recommend to the Board actions to be taken in respect to those issues.

**Investment Committee:** The main function of the Committee is to review management’s investment proposals that are either not core to the Company’s strategy or within categories of investment parameters previously delegated by the Board.

## Partnerships Together in excellence – supply chain management

Algoma is dedicated to fostering strong and aligned partnerships with our suppliers. To ensure that our collaborators share our vision,



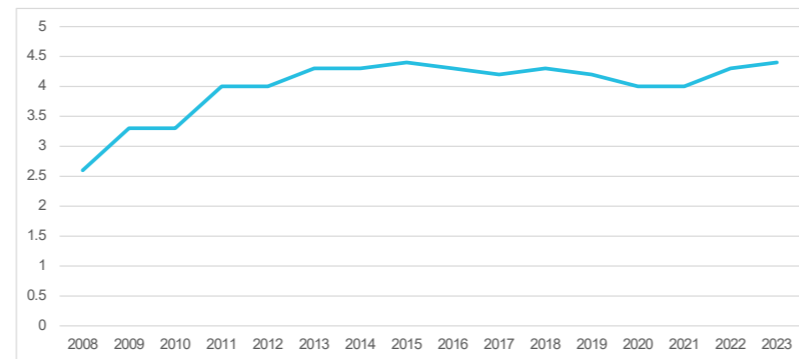
values and sustainability goals, our team has developed the “Know Your Vendor Form”. Starting in Spring 2023, this form is mandatory for all potential and existing partners. It evaluates suppliers across key sustainability criteria, spanning environmental, social, and governance aspects. These criteria include:

- Location (local operations preferred)
- Air emissions
- Child labour
- Work in contentious areas
- Human rights policies
- Shared organizational values
- Innovation readiness
- Service cost & quality

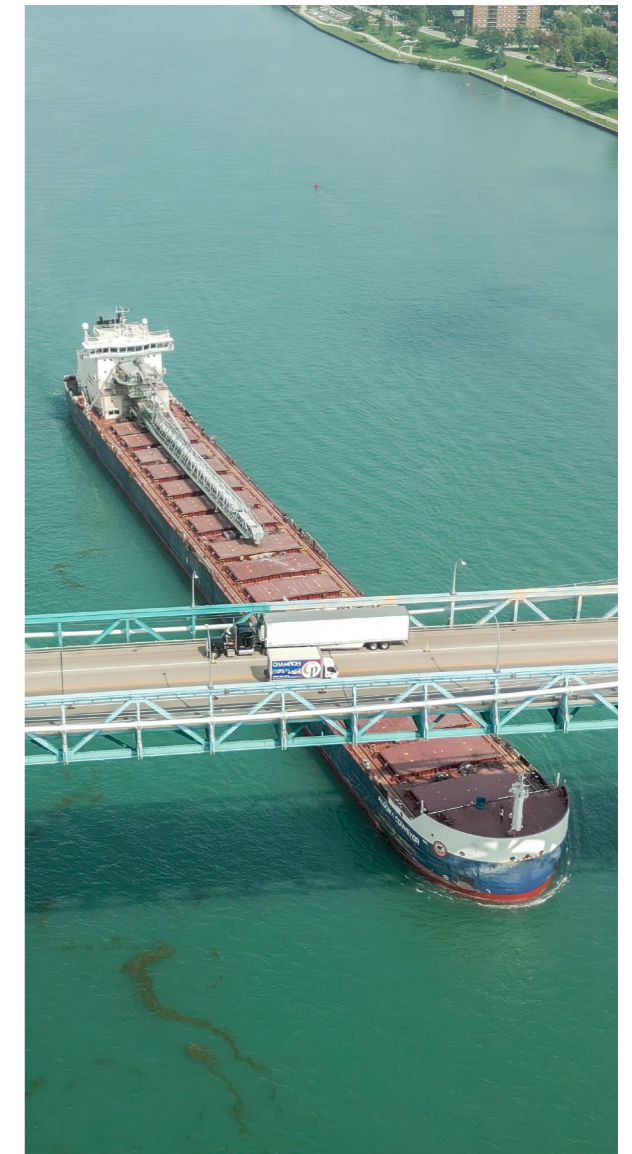
## Green Marine

The voluntary Green Marine certification program challenges its marine industry (ship owners and ports) participants to demonstrate leadership and achieve continuous improvement in environmental performance. Members agree to evaluate performance against several criteria and provide these results, which are subject to bi-annual external verification, publicly. Since joining Green Marine as one of the co-founders in 2008 Algoma has continuously maintained a high level of performance against the program indicators, even as the assessment criteria have increased in difficulty. Green Marine performance goals help to inform our ambitions and become part of our improvement efforts year on year.

### Green Marine Score



Green Marine Issue	Level Achieved 2022	Level Achieved 2023
Aquatic Invasive Species	5	5
Pollutant Air Emissions (SOx & PM)	4	4
Pollutant Air Emissions (NOx)	3	3
Pollutant Air Emissions (GHGs)	4	5
Oily Discharges	5	5
Waste Management	4	4
Underwater Noise	5	5
Ship Recycling	4	4



## Ethics & Compliance

All employees, officers, and directors of the Company are required to confirm their commitment to Algoma’s Code of Conduct annually and are expected to act in alignment with the Company’s core values. The Code of Conduct is now in a mandatory training module on Algoma’s LMS with knowledge checks throughout. The Code of Conduct includes:

- Commitments to compliance with all laws, regulations and policies that apply to the company and its employees
- Guidance on Confidentiality of Information and Conflicts of Interest
- Commitments related to Respect in the Workplace
- Guidance on Fair Dealing
- Prohibition on Bribery
- Commitment to compliance with Anti-Money Laundering Laws

Algoma also has in place several key policies as part of our commitment to compliance, such as:

- Workplace Harassment and Violence Prevention
- Corporate Disclosure
- Employee Complaint on Auditing and Accounting Matters
- Insider Trading

Read the full Code of Conduct and other policies in the Governance section of our website [here](#).

## Modern Slavery Act

Algoma stands strongly against any form of coerced labour, and is deeply committed to the policies, processes, and practices across the company which minimize the risk of forced labour or child labour practices in our supply chains. While we have a very low number of suppliers operating in countries where the risk of forced labour or child labour is higher, we have put in place measures to monitor the nature of these activities to ensure the risk of modern slavery is managed, including the following:

- Our purchasing and operations teams visit many suppliers at their facilities. In 2024, we will be recording and tracking all in-person site visits;
- with many projects on-going globally, we take the opportunity to visit suppliers when visiting newbuild projects or attending shipyards. These sites have Algoma hired representation, including Algoma employees and European contractors; and
- all in-bound shipments to Canada must clear customs. In 2024, we will monitor the country of origin on the broker’s paperwork to identify any country of origin that poses a modern slavery risk.

Suppliers utilized prior to 2023 were polled through a Know Your Vendor (“KYV”) Form to obtain confirmation and attestation of questions related to forced or child labour. For more details, read our full 2023 Modern Slavery Report [here](#).

## Whistleblowing

Algoma provides for confidential reporting of known or suspected breaches of our policies through good faith reporting to the Vice-President, Human Resources, or ClearView Connects. ClearView Connects is a third-party reporting service through which we encourage anyone, employee or otherwise, to bring any matter of concern to our attention with the option to do so anonymously. We take all reports extremely seriously, conducting thorough investigations to the extent possible and addressing all breaches where identified.

During the reporting period, 12 reports were filed through ClearView Connects:

Nature of Report	Number of Reports	Number of Reports Investigated	Number of Breaches Detected
<b>2022</b>			
Drugs & Alcohol	1	1	0
Environmental	2	2	0
Other	1	1	0
<b>2023</b>			
Drugs & Alcohol	1	1	0
Harassment	4	4	0
Other	3	3	0

### ClearView Connects Hotline

To make an anonymous report, please choose one of the following:

1. Online at [www.clearviewconnects.com](http://www.clearviewconnects.com)
2. By telephone at **1-866-846-7659**
3. By mail to:

**ClearView Connects**  
**P.O. Box 11017**  
**Toronto ON M1E 1N0**

# ESG PERFORMANCE

Indicator	Units	2019	2020	2021	2022	2023
<b>FINANCIAL</b>						
Revenue	\$ CAD (millions)	508	546	599	678	721
Net earnings	\$ CAD (millions)	24	46	82	120	83
<b>OPERATIONAL<sup>(1)</sup></b>						
<b>DOMESTIC<sup>(2)</sup></b>						
Total distance travelled by vessels	Nautical Mile	956,409	917,089	944,674	903,927	1,014,416
Total cargo carried	Tonnes	22,527,590	22,251,420	22,478,735	21,786,852	23,427,509
Tonne-kilometres	Tonne-km	25,865,590,772	24,298,706,813	25,695,112,041	24,265,787,297	25,433,019,295
Deadweight tonnage	Tonnes	792,570	824,825	823,734	788,703	825,965
Vessels <sup>(3)</sup>	Number	26	27	27	26	28
Vessel port calls	Number	2,379	2,331	2,319	2,303	2,560
Operating days	Number	7,106	7,805	7,392	7,332	8,064
Fleet availability	Percentage	97.9	97.4	99	97.7	97.9
<b>OCEAN</b>						
Total distance travelled by vessels	Nautical Mile	-	-	429,107	333,972	310,889
Total cargo carried	Tonnes	-	-	11,904,929	10,612,323	9,692,059
Tonne-kilometre travelled	Tonne-km	-	-	20,003,775,275	22,422,026,911	16,369,637,495
Deadweight tonnage	Tonnes	-	-	501,202	501,202	501,202
Vessels <sup>(3)</sup>	Number	-	-	8	8	8
Vessel port calls	Number	-	-	583	533	462
Operating days	Number	-	-	2,799	2,845	2,570
Fleet availability	Percentage	-	-	99.1	98.6	98.3
<b>ENVIRONMENTAL</b>						
Green Marine score	1 (lowest) to 5 (highest)	4.2	4	4	4.3	4.4
GHG emissions (Domestic fleet)	Thousands of tonnes	311	303	302	281	315
	Grams/tonne-km	12.01	12.48	11.76	11.59	12.37
GHG emissions (Domestic dry bulk)	Thousands of tonnes	252	241	251	224	248
	Grams/tonne-km	10.51	10.91	10.44	10.19	10.46
GHG emissions (Domestic product tankers)	Thousands of tonnes	59	62	51	57	66
	Grams/tonne-km	30.9	28.4	31.3	25.2	27.4
GHG emissions (Ocean fleet) <sup>(4)</sup>	Thousands of tonnes	-	155	153	158	146
	Grams/tonne-km	-	-	7.67	6.18	8.16
SOx emissions (Domestic fleet)	Thousands of tonnes	1.88	1.47	0.026	0.022	0.014
	Grams/tonne-km	0.07	0.06	0	0	0
NOx emissions (Domestic fleet)	Thousands of tonnes	8.36	8.13	8.02	7.48	8.65
	Grams/tonne-km	0.32	0.33	0.31	0.31	0.34
Spills/leaks (minor, <10 litres)	Number/Total Volume (litres)	2/1	1/4	1/2	3/9	4/8
Spills/leaks (major, >10 litres)	Number/Total Volume (litres)	1/20	4/580 <sup>(5)</sup>	1/200 <sup>(6)</sup>	0	1/220 <sup>(7)</sup>
Recyclables <sup>(8)</sup>	Tonnes	91	77	74	84	107
Violations/fines	Number/\$amount	0	0	1/500,000 <sup>(9)</sup>	1/ 6,000 <sup>(9)</sup>	0
Whale sightings reported	Number	150	36	41	51	75

# ESG PERFORMANCE (CONTINUED)

SOCIAL						
<b>HEALTH &amp; SAFETY<sup>(1)(10)</sup></b>						
Lost time injuries	Number	17	21	13	10	11
Lost time injury frequency	LTIs / 200,000 hrs	1.75	1.54	1.18	0.7	0.77
Fatalities	Number	0	0	0	0	0
Recordable work related injuries <sup>(11)</sup>	Number	57	47	42	25	27
	Total recordable cases x 200,000 / total					
Total recordable incident rate	hours	8.8	8.9	7.2	3.5	3.5
Modified duty cases	Number	29	32	24	21	22
Port state control detentions	Number	1	1	1	1	3
<b>DE&amp;I</b>						
Shoreside employees (domestic, permanent/contract)	Number	118	118	120	120	130
Shipboard employees (domestic, permanent/relief)	Number	1,273	1,198	1,174	1,222	1,281
Shoreside employees identifying as female	Percentage	34	35	37	39	39
Shipboard employees identifying as female	Percentage	5	5	5	5	6
Female representation in executive management	Percentage	8	8	9	15	15
<b>COMMUNITY SUPPORTS</b>						
Charitable donations	\$ CAD	192,515	203,111	201,606	303,352	201,011
Scholarships	\$ CAD	32,000	50,000	34,000	32,000	54,000
<b>TRAINING &amp; DEVELOPMENT</b>						
Training hours completed via LMS	Number	-	-	-	-	2,673
Total sea days completed by cadets	Number	-	-	-	4,908	5,560
<b>EMPLOYEE ENGAGEMENT</b>						
Employee engagement score	Number, average out of 7	-	-	-	-	5.1
Employee contentment score	Number, average out of 7	-	-	-	-	4.9
<b>GOVERNANCE</b>						
Whistleblower reports/breaches detected	Number	-	-	8/1	5/0	8/0

(1) Statistical operating data and safety indicators are unaudited and based on data available at such time and are subject to change as more complete information becomes available

(2) Domestic Operational Performance relates only to our Domestic Dry-Bulk and Product Tankers segments and do not include the fleets in which we participate through joint ventures

(3) Total of all vessels that operated during the reported year

(4) Vessels under other management in 2019

(5) Discharge of lube oil related to equipment malfunction

(6) Discharge of marine diesel fuel due to overflow from a tank vent

(7) Discharge of an environmentally acceptable/biodegradable lubricant due to propellor damage

(8) Values include mixed recyclables, cardboard, organics, and scrap wood

(9) USD \$500,000 fine related to an accidental discharge of bilge water into Lake Ontario in 2017; CAD \$6,000 fine resulting from a vessel travelling 0.3 knots over the limit in a speed restriction zone in 2023

(10) Safety indicators include only the vessels that are under the Company's technical management

(11) Change in definition in 2022 from injuries that required medical assessment from a doctor to injuries that received medical treatment from a doctor