CONSOLIDATED SUSTAINABILITY STATEMENT 2024

AS TALLINK GRUPP

Beginning of the financial year	1 January 2024
End of the financial year	31 December 2024

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Main activity	maritime transport (passenger & cargo transport)

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Basis for Preparation

The Sustainability Statement of AS Tallink Grupp for the financial year of 2024 covers the material environmental, social, and governance (ESG) activities, policies, and governance structures of the Group and its subsidiaries in the same boundaries as the Annual Report of the Group for the financial year of 2024. At the beginning of the year, the Group finalised and received Management Board approval for its first double materiality assessment (DMA). Building on this, key performance indicators (KPIs) were established for each key topic, along with an implementation strategy to achieve these KPIs and improve ESG management and oversight, monitoring and reporting. This ensures that all stakeholders gain improved transparency and insight into the Group's progress in sustainability. The sustainability reporting obligation arises from Section 31, section 4 of the Estonian Accounting Act. The current statement has been prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD), European Sustainability Reporting Standards (ESRS), and the International Financial Reporting Standards (IFRS), and meets the requirements of currently effective sector-agnostic standards.

AS Tallink Grupp has exercised the right to delay reporting under transitional provisions, allowing the Group to enhance data quality on these requirements before reporting on all provisions becomes mandatory. The preparation of ESG data involves estimates in certain areas, which may impact reported figures. These estimates are formed based on historical experience, independent advice, external data, and other relevant information deemed reasonable under the circumstances. Unless stated otherwise, all calculations and methodologies follow the guidance provided within the ESRS framework. Further details on limitations and accounting principles are provided in the Accounting Policies sections of each chapter, if applicable.

This Sustainability Statement provides a comprehensive analysis of the Group's value chain, incorporating a double materiality assessment that considers both upstream and downstream value chain members, as well as input from internal and external stakeholders. The report maps the Group's value chain, focusing on key ESG impact areas across maritime transport, hospitality, retail, and supporting services. Sustainability efforts are integrated across operational areas such as fleet management, logistics, and procurement to ensure alignment with the Group's overall strategy.

The scope of the analysis carried out in this report covers the Group's own operations, including all operations and employees across all markets, the upstream value chain consisting of suppliers and business partners providing goods and services to the Group, and the downstream value chain, which includes customers using the Group's products or services. In this Sustainability Statement the data, objectives and action plans focus primarily on the Group's own operations due to the availability and quality of data in this area.

The Group has defined the following time horizons for itself for the purposes of the double materiality assessment, KPI-setting, action plans and the current report:

- **Short-term:** 2024-2027
- **Medium-term:** 2028-2035
- **Long-term:** 2036-2050

The timeline was established based on the Group's action plans and schedules, existing project deadlines, and international ESG goal timelines, such as those outlined in the Paris Climate Agreement and the International Maritime Organization (IMO) targets. The Group has established several KPIs and targets that are set to be achieved within the next two to three years, defining this period as the short-term timeframe. Additionally, many key industry medium-term targets are set for 2030–2035, leading the Group to align with these and define this range as its medium-term timeframe. International goals often designate 2050 as a key date for achieving significant environmental milestones, making it a logical choice for the Group's long-term timeframe.

Incorporation by Reference

The following table outlines the locations of ESRS disclosures that have been incorporated by reference and presented outside the sustainability statement, appearing in other sections of the Annual Report of AS Tallink Grupp for the financial year 2024.

Disclosure Requirements Incorporated by Reference

Disclosure requirement	Data point(s)		Section	Page*
GOV-1	§21a	Number of executive and non-executive members of the Supervisory and Management Board	Corporate Governance Report	36-42
GOV-1 G1. GOV-1	§23a-b, §5b, §21c, §17	Members of the Supervisory and Management Board, roles of the different levels and types of governance bodies in the Group	Corporate Governance Report	37-42
SBM-1	§42, §42a-b	Business model and value chain	The Group	5-7
SBM-1	§40a i-ii, 40e-g	Business strategy and products/services	The Group Strategy	5-7 8
SBM-1	§40b	Total revenue by significant sectors	Management Report	15

*See more in the Annual Report

Disclosure Requirements Covered by AS Tallink Grupp's Annual Report 2024

The table below provides an overview of ESRS datapoints that derive from other EU legislation and where this information can be found if deemed material.

General Disclosures

Disclosure Requirement		Section	Page
BP-1	General basis for preparation of the sustainability statement	Basis for Preparation	4-5
BP-2	Disclosures in relation to specific circumstances	Basis for Preparation	4
GOV-1	The role of the administrative, management, and supervisory bodies	Corporate Governance Report	34-44*
	Employee representatives on the Supervisory and Management Board	Governance System	23
	Percentage of independent Board members	Governance System	23
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Governance System	24
GOV-3	Integration of sustainability-related performance in incentive schemes	Governance System	24
GOV-4	Statement on due diligence	Governance System	24
GOV-5	Risk management and internal controls over sustainability reporting	Governance System	24
SBM-1	Strategy, business model and value chain	The Group	5-7*
		Strategy	8*
		Management Report	14-15*
		ESG Strategy	19-21
SBM-2	Interests and views of stakeholders	Stakeholder Expectations and Evaluations	28-29
		Stakeholder Priorities	29-31
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	ESG Strategy	19-21
		Double Materiality Assessment	25-28
		Overview of Material Impacts, Risks, and Opportunities	32-36
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	Double Materiality Assessment	25-28
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Incorporation by Reference	6-18

*See more in the Annual Report

Environment

Climate Change

Disclosure Requirement		Section	Page
E1-1	Transition plan for climate change mitigation	ESG Strategy	21-22
E1.GOV-3	Integration of sustainability-related performance in incentive schemes	Climate Change	51
E1.SMB-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Double Materiality Assessment Overview of Material Impacts, Risks, and Opportunities Climate Change	25-28 32-36 46-52
E1.IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Double Materiality Assessment	25-28
E1-2	Policies related to climate change mitigation and adaptation	Climate Change	46-50
E1-3	Actions and resources in relation to climate change policies	Climate Change	46-50
E1-4	Targets related to climate change mitigation and adaptation	Climate Change	46-50
E1-5	Energy consumption and mix	Climate Change	54
E1-6	Gross scopes 1, 2, 3 and total GHG emissions	Climate Change	53

Pollution

Disclosure Requirement		Section	Page
E2.IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	Double Materiality Assessment Overview of Material Impacts, Risks, and Opportunities	25-28 32-36
E2-1	Policies related to pollution	Pollution	55-56
E2-2	Actions and resources related to pollution	Pollution	56-57
E2-3	Targets related to pollution	Pollution	55-56
E2-4	Pollution of air, water and soil	Pollution	55-59

Water and Marine Resources

Disclosure Requirement		Section	Page
E3.IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	Double Materiality Assessment Overview of Material Impacts, Risks, and Opportunities	25-28 32-36

Biodiversity

Disclosure Requirement		Section	Page
E4.IRO-1	Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	Double Materiality Assessment Overview of Material Impacts, Risks, and Opportunities	25-28 32-36
E4.SBM.3	Material impacts, risks, and opportunities and their interaction with strategy and business model	Double Materiality Assessment Overview of Material Impacts, Risks, and Opportunities	25-28 32-36

Circular Econom6

Disclosure Requirement		Section	Page
E5.IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	Double Materiality Assessment Overview of Material Impacts, Risks, and Opportunities	25-28 32-36

Social

Own Workforce

Disclosure Requirement		Section	Page
S1.SBM-2	Interests and views of stakeholders	Stakeholder Expectations and Evaluations Stakeholder Priorities	28-29 29-31
S1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Double Materiality Assessment Overview of Material Impacts, Risks, and Opportunities	25-28 32-36
S1-1	Policies related to own workforce	Our Colleagues	61-68
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	Our Colleagues	61-68
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	Our Colleagues	61-68
S1-4	Taking action on material impacts on own workforce, approaches to managing material risks pursuing material opportunities related to own workforce, and effectiveness of those actions	Our Colleagues	61-68
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Our Colleagues	61-68
S1-6	Characteristics of the undertaking's employees	Our Colleagues	61-62
S1-9	Diversity metrics	Our Colleagues	61-62
S1-10	Adequate wages	Our Colleagues	64-66
S1-14	Health and safety metrics	Our Colleagues	64
S1-16	Remuneration metrics (pay gap and total remuneration)	Our Colleagues	64-66
S1-17	Incidents, complaints, and severe human rights impacts	Our Colleagues	66

Workers in the Value Chain

Disclosure Requirement		Section	Page
S2.SBM-2	Interests and views of stakeholders	Stakeholder Expectations and Evaluations Stakeholder Priorities	28-29 29-31
S2.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Double Materiality Assessment Overview of Material Impacts, Risks, and Opportunities	25-28 32-36
S2-1	Policies related to workers in the value chain	Governance	72-77
S2-2	Processes for engaging with workers in the value chain and workers' representatives about impacts	Governance	72-77
S2-3	Processes to remediate negative impacts and channels for workers in the value chain to raise concerns	Governance	72-77
S2-4	Taking action on material impacts on workers in the value chain, approaches to managing material risks pursuing material opportunities related to workers in the value chain, and effectiveness of those actions	Governance	72-77
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Governance	72-77

Affected Communities

Disclosure Requirement		Section	Page
S3.SBM-2	Interests and views of stakeholders	Stakeholder Expectations and Evaluations Stakeholder Priorities	28-29 29-31
S3.SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model	Double Materiality Assessment Overview of Material Impacts, Risks, and Opportunities	25-28 32-36

Consumers and End-users

Disclosure Requirement		Section	Page
S4.SBM-2	Interests and views of stakeholders	Stakeholder Expectations and Evaluations Stakeholder Priorities	28-29 29-31
S4.SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model	Double Materiality Assessment Overview of Material Impacts, Risks, and Opportunities	25-28 32-36
S4-1	Policies related to consumers and end-users	Consumers and End-Users	68-72
S4-2	Processes for engaging with consumers and end-users about impacts	Consumers and End-Users	68-72
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Consumers and End-Users	68-72
S4-4	Taking action on material impacts on consumers and end-users, approaches to managing material risks pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Consumers and End-Users	68-72
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Consumers and End-Users	68-72

Governance

Business Conduct

Disclosure Requirement		Section	Page
G1.GOV-1	The role of the administrative, supervisory, and management bodies	Stakeholder Expectations and Evaluations Stakeholder Priorities	28-29 29-31
G1.IRO-1	Description of the processes to identify and assess material impacts, risks, and opportunities	Double Materiality Assessment Overview of Material Impacts, Risks, and Opportunities	25-28 32-36
G1-1	Business conduct policies and corporate culture	Governance	72-77
G1-2	Management of relationships with suppliers	Governance	72-77
G1-3	Prevention and detection of corruption and bribery	Governance	72-77
G1-4	Incidents of corruption or bribery	Governance	72-77

List of datapoints deriving from other EU legislation

✓ material X not material — phased in

The table below provides an overview of ESRS datapoints that derive from other EU legislation, cf. ESRS 2 Appendix B and where this information can be found if deemed material.

General Disclosures

General Disclosures

Disclosure Requirement and related datapoint				Regulation	Page
GOV-1	✓	21(d)	Board's gender diversity ratio	SFDR	23
GOV-1	✓	21(e)	Percentage of independent Board members	SFDR	23
GOV-4	✓	30	Statement on due diligence	SFDR	24
SBM-1	✓	40 (d) i	Activity in fossil fuel sector	SFDR	54
SBM-1	X	40 (d) ii – 40 (d) iv	Activity in chemical, controversial weapons, and/or tobacco industry	SFDR	N/A

Environment

Climate Change

Disclosure Requirement and related datapoint				Regulation	Page
E1-1	✓	14	Transition plan for climate change mitigation	EU Climate Law	21-22
E1-1	X	16 (g)	Exclusion from EU Paris-aligned Benchmarks	Pillar 3, Benchmark regulation	N/A
E1-4	✓	34	Emission reduction targets	SFDR, Pillar 3, Benchmark regulation	46-48
E1-5	✓	37	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	SFDR	54
E1-5	✓	38	Energy consumption and mix	SFDR	54
E1-5	✓	40-43	Energy consumption and intensity from activities in high-climate-impact sectors	SFDR	54
E1-6	✓	44	Gross Scope 1, 2, 3 and Total GHG emissions	SFDR, Pillar 3, Benchmark regulation	53
E1-6	✓	53-55	Gross GHG emissions intensity	SFDR, Pillar 3, Benchmark regulation	54
E1-7	X	56	GHG removals and carbon credits	EU Climate Law	N/A
E1-9	–	66	Exposure of the benchmark portfolio to climate-related physical risks	Benchmark regulation	Phased in
E1-9	–	66 (a) 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk Location of significant assets at material physical risk	Pillar 3	Phased in
E1-9	–	67 (c)	Financial opportunities (cost savings, market size and changes to net revenue) from climate change actions	Pillar 3	Phased in
E1-9	–	69	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Benchmark regulation	Phased in

Pollution

Disclosure Requirement and related datapoint				Regulation	Page
E2-4	✓	28	Emissions to air, water, and soil	SFDR	55-59

Water and Marine Resources

Disclosure Requirement and related datapoint				Regulation	Page
E3-1 E3-4	X	9, 13, 14, 28 (c), 29	All disclosures	SFDR	N/A

Biodiversity

Disclosure Requirement and related datapoint				Regulation	Page
E4-2	X	24	All disclosures	SFDR	N/A

Circular Economy

Disclosure Requirement and related datapoint				Regulation	Page
E5-5	X	37, 39	All disclosures	SFDR	N/A

Social

Own Workforce

Disclosure Requirement and related datapoint				Regulation	Page
S1.SBM-3	✓	14 (f)	Risk of incidents of forced labour	SFDR	64
S1.SBM-3	X	14 (g)	Risk of incidents of child labour	SFDR	N/A
S1-1	✓	20-23	Human rights policy commitments Due diligence policies Processes and measures for preventing trafficking in human beings Workplace accident prevention policy or management system	SFDR Benchmark regulation SFDR SFDR	62-63 24 62-63 64
S1-3	✓	32 (c)	Grievance/complaints handling mechanisms	SFDR	64
S1-14	✓	88 (b), 88 (c)	Number of fatalities and rate of work-related accidents	SFDR, Benchmark regulation	64
S1-14	–	88 (e)	Number of days lost to injuries, accidents, fatalities, or illness	SFDR	64
S1-16	✓	97 (a) 97 (b)	Unadjusted gender pay gap Excessive CEO pay ratio	SFDR, Benchmark regulation SFDR	65 66
S1-17	✓	103 (a) 104 (a)	Incidents of discrimination Severe human rights issues and incidents	SFDR SFDR, Benchmark regulation	66-68

Workers in the Value Chain

Disclosure Requirement and related datapoint				Regulation	Page
S2.SBM-3	✓	11 (b)	Significant risk of child labour or forced labour in the value chain	SFDR	34-35
S2-1	✓	17-19	Human rights policy commitments Policies related to workers in the value chain Non-respect of UNGPs on Business and Human Rights, and OECD guidelines Due diligence policies	SFDR, Benchmark regulation	73-74 73-74 73-74 24
S2-4	✓	36	Human rights issues and incidents connected to its upstream and downstream value chain	SFDR	74-75

Affected Communities

Disclosure Requirement and related datapoint				Regulation	Page
S3-1 S3-4	X	16, 17, 36	All disclosures	SFDR, Benchmark regulation	N/A

Consumers and End-users

Disclosure Requirement and related datapoint				Regulation	Page
S4-1	✓	16	Policies related to consumers and end-users	SFDR	68-72
S4-1	✓	17	Non-respect of UNGPs on Business and Human Rights, and OECD guidelines	SFDR, Benchmark regulation	70-71
S4-4	✓	35	Human rights issues and incidents	SFDR	70-71

Governance

Business Conduct

Disclosure Requirement and related datapoint				Regulation	Page
G1-1	✓	10 (b)	United Nations Convention against corruption	SFDR	76-77
G1-1	✓	10 (d)	Protection of whistleblowers	SFDR	72-73
G1-4	✓	21 (a)	Fines for violation of anti-corruption and anti-bribery laws	SFDR, Benchmark regulation	76-77
G1-4	✓	24 (b)	Standards of anti-corruption and anti-bribery	SFDR	76-77

ESG Strategy

The Group’s strategy, description of its services, markets and segments, as well as the number of employees, can be found in the Annual Report on pages 5-8 and 13. This section focuses specifically on how sustainability considerations are integrated into the Group’s strategy, business model, and value chain.

The Group’s sustainability objectives are aligned with its overall strategy , reflecting the integration of key ESG impact areas into its strategic framework. This alignment ensures that the Group not only meets regulatory and stakeholder expectations but also drives long-term value creation through sustainable practices. The Group’s strategic cornerstones, as outlined in the Annual Report on page 8, inherently support ESG principles without altering the Group’s established objectives. These connections are reflected in the following areas:

- Achieving the highest levels of customer satisfaction is directly linked to ESG areas such as customer safety, data protection, and human rights, thus strengthening customer trust and loyalty while upholding ethical business practices.
- The Group's strategy to develop a wide range of high-quality services for a broad customer base is closely tied to fostering sustainable business relationships within the supply chain and implementing environmental practices that promote greener and more sustainable service delivery. Additionally, the Group emphasises the importance of ensuring good working conditions for employees, as their well-being is essential for delivering quality services.
- Improving profitability and strengthening market leadership is directly linked to tackling climate change and reducing air pollution, as all topics related to protecting the environment and operating in a more environmentally friendly manner enhance competitiveness. The Group leverages energy-efficient technologies and green innovations, which have proven to deliver cost savings for the Group, thus aligning economic performance with environmental responsibility.

The Group’s value chain reflects the outcomes of the double materiality assessment, which identified the key stages where the Group’s operations have the most significant environmental, social, and economic impacts. This analysis guided the integration of sustainability considerations into the Group’s strategic frameworks, ensuring that both the financial risks and opportunities associated with sustainability and the broader responsibilities towards stakeholders and the environment are addressed.

- The Group relies on energy and materials that align with operational needs and, therefore, monitor advancements in sustainable fuel and renewable energy technologies.
- Operational activities prioritise energy efficiency and adherence to regulatory requirements, supported by continuous investments in innovative technologies.
- Services delivered to customers reflect the Group’s commitment to quality and environmental responsibility, reducing emissions and meeting stakeholder expectations.

The Group’s engagement with stakeholders was primarily conducted as part of the DMA, and their perspectives were integrated into the analysis to identify and prioritise material impacts, risks, and opportunities.

The Group’s Value Chain

The primary value chain members include employees, key stakeholders such as suppliers (fuel, technology), business partners (ports, financing partners, investors), and customers (tour operators, loyal customers), and authorities. During the 2023-2024 double materiality assessment process, the Group engaged with most of these primary stakeholders, except for key customers and authorities.

Despite outreach efforts to key customers and authorities via emails, survey invitations, and interview requests, their engagement proved less successful.

Regular stakeholder engagement takes place through various channels, including in-person meetings, such as quarterly coffee mornings with the CEO, bi-annual vessel visits for employees, planned meetings with business partners, supplier seminars, and customer interactions via e-correspondence and Group-owned channels. Additionally, regular surveys and other forms of correspondence provide insights that are reviewed in management meetings and incorporated into the Group's decision-making processes.

The secondary value chain members consist of the wider supplier and business partner network, communities, NGOs, and media. While they had the opportunity to contribute to the survey, their participation remained limited. The first DMA cycle focused primarily on engaging primary stakeholders, with an agreement to expand the engagement process in the coming years.

PRIMARY ACTIVITY	**Inbound Logistics** Sourcing sustainable marine fuels (LNG, biofuels) and traditional fuels from suppliers. Procuring vessels from shipbuilders and retrofitting older vessels to enhance fuel efficiency. Procuring technology and equipment for navigation, energy efficiency, and communication, including software for logistics and data management.	SUPPORT ACTIVITY	**Governance & Compliance** Ensuring compliance with the EU regulations, including the Corporate Sustainability Reporting Directive (CSRD), and meeting the European Sustainability Reporting Standard (ESRS) for non-financial environmental, social, and governance (ESG) metrics.

PRIMARY ACTIVITY	**Operations** <u>Passenger and Cargo Transport:</u> Providing ferry and cruise services across the Baltic Sea (Estonia, Finland, Sweden). Optimising routes to reduce fuel consumption, managing waste responsibly on vessels, and implementing energy-efficient practices. <u>Onboard Services:</u> Offering dining, shopping (travel retail), and entertainment services onboard. Focus on sourcing local and sustainable products, reducing single-use plastics, and improving energy efficiency (e.g., lighting, HVAC systems).	SUPPORT ACTIVITY	**Human Resources** Training and development for staff, with a focus on customer service, sustainability practices, and safety. Emphasis on continuous learning, especially in environmental and safety protocols.

PRIMARY ACTIVITY	**Outbound Logistics** Logistics & Distribution (Cargo): Delivering cargo to ports and managing logistics for efficient loading/unloading. Collaboration with green logistics partners and using electrified vehicles where possible.	SUPPORT ACTIVITY	**Technology & Innovation** Investing in advanced technologies like wind-assisted propulsion systems, emission control technologies, and digital tools for optimising routes and fuel consumption. Commitment to continuous innovation in reducing environmental impacts.

PRIMARY ACTIVITY	**Marketing & Sales** Customer Engagement: Managing ticket sales (both online and through agencies), marketing campaigns, and enhancing the onboard customer experience. Offering digital tickets and promoting sustainability initiatives, such as carbon offset programs. Onshore and Online Retail: Providing travel retail services both onboard ferries and in onshore shops, as well as through online platforms. Focus on sustainable product offerings.	SUPPORT ACTIVITY	**Procurement** Engaging with suppliers and stakeholders to source eco-friendly materials, products, and services across all operations, from fuel procurement to retail goods. Preference for local, sustainable, and fair-trade products.

PRIMARY ACTIVITY	**Services** Onshore Accommodation & Restaurants: Providing hospitality services at onshore hotels and restaurants, with a focus on sustainability (e.g., sourcing local food, reducing waste, improving energy efficiency). End-of-Life Initiatives: Responsible vessel decommissioning, adhering to the EU regulations. Recycling ship materials and components, promoting circular economy practices.

Climate Change Mitigation Strategy

AS Tallink Grupp has identified climate change mitigation as a material and strategic issue, given the significant role of its shipping operations in global greenhouse gas (GHG) emissions and the regulatory landscape. The development, approval, and execution of the transition plan for climate change mitigation will be the responsibility of the Group's Management Board, in collaboration with respective experts and departments, as well as external experts and business partners. The Group is currently in the process of developing its transition plan, which is anticipated to finalise in the coming years. This is primarily due to the fact that the key lever for achieving the ambitious climate targets set for shipping remains unclear, and there is no definitive solution to the industry's challenge of identifying sustainable shipping fuels for the future. Until a global consensus is reached on whether the next fuel for passenger vessels will be ammonia, hydrogen, green ammonia, biofuel, nuclear, or another option, the transition plans will remain indicative rather than prescriptive. The Group continuously monitors technical developments and trends in fuel and other technologies by participating in international industry and sector events and maintaining close contact with technology developers and relevant authorities.

The Group aims to reduce its absolute CO_2 emissions within Scope 1 and Scope 2 in line with EU medium- and long-term targets, such as the FuelEU Maritime Regulation, as well as the objectives set by the International Maritime Organization (IMO). The Taxonomy Report including financial data related to climate change mitigation can be found on pages 38-45.

Strategic principles for achieving the above KPIs and targets include the following:

- AS Tallink Grupp will focus its main activities and investments in the area of GHG emissions reduction of its shipping operations, as the majority (over 63%) of the Group's Scope 1 and Scope 2 emissions arise from these operations.
- In addition to CO_2 emissions, the Group will include other harmful GHG emissions (e.g., methane, nitrous oxide) into the scope of emissions reductions. Thus, the Group refers to the strategy as GHG Emissions Reduction Strategy (and not de-carbonisation strategy).
- The Group has currently adopted the position that it will focus on achieving actual and real GHG emissions from its own operations and will only engage in carbon offsetting initiatives that demonstrate proven environmental results. The Group will not engage in any activities with a high risk of greenwashing or unjustified green claims.

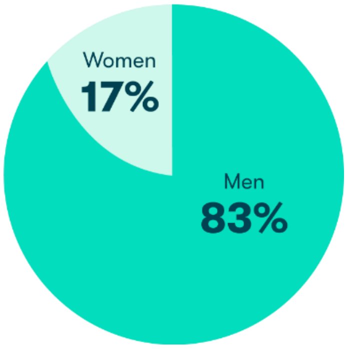
The Group's implementation strategy is structured across short-, medium-, and long-term horizons:

- **Short-term (2024-2027)** achievement of GHG emissions reductions mainly include sourcing and implementing technological solutions on board its vessels, enabling the Group to reduce fuel consumption and increase energy efficiencies, thus achieving emissions reductions.
- **Medium-term (2028-2035)** achievement of GHG emissions reductions also include technological advances that enable vessels to increase energy efficiency and reduce fuel consumption, as well as collaborations with providers of carbon capture solutions.
    - The Group's medium-term achievement of onshore GHG reductions on a smaller scale include the gradual transition to using renewable shore power during longer port stays, provided that the supply of such green energy is sufficient, and the cost is not higher than other available energy solutions.
- **Long-term (2036-2050)** achievement of GHG emissions reductions are based on the expectation and assumption that a sustainable alternative shipping fuel will be developed and available to shipping companies within the next 5-10 years.
- **Medium- to long-term** achievement of GHG emissions reductions additionally include sourcing and utilising viable biofuels, and their availability, legislation, cost, and proven environmental credentials.

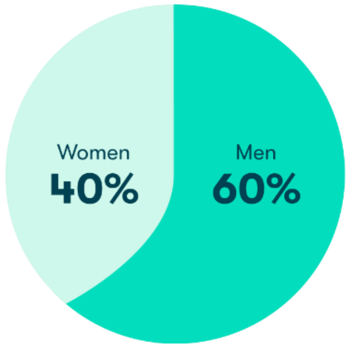
Governance System

The Corporate Governance Report of AS Tallink Grupp, made in accordance with the Estonian Accounting Act, includes an overview of the organisation and administration of governance in the Group, members of the Supervisory and Management Board, and roles of the different levels and types of governance bodies in the Group, and can be found on pages 34-44 of the Annual Report.

Gender Ratio of the Supervisory Board



Gender Ratio of the Management Board



Supervisory and Management Board

The Supervisory Board of AS Tallink Grupp is composed of six members, all of whom receive remuneration from the Group. The percentage of independent board members in the Group's Supervisory Board is 16.7% (i.e., one out of six members). There is no representation of employees or other workers within the Management or Supervisory Board.

All five members of the Group's Management Board are wage-earning employees of the Group. Incentive schemes and remuneration policies for administrative and supervisory bodies are currently not linked to any sustainability matters, including emission reduction targets. Each Management Board member of AS Tallink Grupp has a clear responsibility for specific areas of its operations, governance, and policies.

ESG Management and Oversight

ESG action plans are led by the Group's Head of ESG (in 2024 Group Head of Communications and ESG, from 2025 onwards by the Group Head of ESG) reporting directly to a Management Board Member responsible for ESG. ESG topics are added to the Management Board's agenda on a regular basis, with an average frequency of at least once a quarter, and are discussed with the CEO on a weekly basis. Additionally, AS Tallink Grupp has an Internal Audit department, whose role is to provide independent and objective assurance that an organisation's risk management, governance, and internal control processes are operating effectively. This includes the implementation of sustainability reporting procedures, which will be formally integrated into internal audit processes starting in 2025. While ESG topics are already part of the audit scope, their implementation and oversight will be monitored and refined as the framework develops. The Internal Audit department works based on the annual audit plan that is conducted once a year and approved by the Management Board. The internal audit drafts an audit report and presents it to the Management Board. There are regular follow-up audits to check if the risks presented in the audit have been mitigated.

The identification of the Group's impacts, risks and opportunities (IROs) is a continuous shared responsibility by the entire Management Board. As decided by the Management Board, the supervision and the implementation of the action plans aligned with the identified IROs and achieving the KPIs rests with the Management Board Member Piret Mürk-Dubout, who has completed the London School of Business programme on Sustainability Leadership and Corporate Responsibility.

The Group works with external experts and consultants where additional knowledge or expertise in certain areas is needed. In 2024, external support was utilised during the double materiality assessment process, the ESG data GAP-analysis, and the development of new data collection and calculation processes for Scope 1, 2, and 3 GHG emissions. AS Tallink Grupp relies exclusively on established consultancy firms for advisory services. Applied scientists have assisted in developing methodologies for surveys and research needed to support a comprehensive double materiality assessment and the identification of IROs. Additionally, the expertise of climate, ESRS, and CSRD specialists have been utilised to complement the Group's in-house knowledge in GHG emissions methodologies and calculations. Data collection methodologies are developed and implemented in collaboration with the finance team and controllers, and data quality is verified by internal experts, ensuring accuracy and consistency.

Risk Management and Sustainability Reporting

The Group's Management Board incorporates identified IROs into the development and implementation of the Group's strategy, decision-making processes, and overall risk management. ESG risks are not prioritised differently from other risks but are considered on the same basis as part of the Group's overall risk management framework. Issues relating to IROs have been raised with the Group's cross-function leadership team and Management Board during the 2024 in regular meetings that take place either bi-weekly or monthly, with ESG updates and issues added to agendas. The IROs raised in 2024 meetings included preparations for CSRD-compliant reporting; policy updates in key IRO areas, such as carbon emission reductions, human rights, employee health, safety and well-being, and supply chain governance; ESG KPI setting; carbon reduction strategy and action plans; and other related topics. For major strategic decisions, ESG aspects are considered, including the environmental impact and implications for employees.

The Group has increased resources dedicated to ESG reporting, strategy, and action plans. From Q4 2024, this includes an FTE role for ESG leadership and an additional role in the finance department for ESG controlling. Any future ESG reporting risks will be identified through regular meetings with key stakeholders and discussed in Management Board meetings on a weekly basis to ensure proactive risk management and compliance.

As part of the commitment to responsible business conduct, AS Tallink Grupp has implemented a comprehensive due diligence process to identify, assess, prevent, mitigate, and remediate actual and potential impacts on people and the environment. This approach aligns with internationally recognised frameworks, including the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises. Below is a structured mapping of the core elements of due diligence to the relevant disclosures in this sustainability statement.

Responsible business conduct in operations	Engaging with affected stakeholders	Identifying and assessing adverse impacts	Cease, prevent, or mitigate impact	Track implementation and results

Double Materiality Assessment

Methodology

The identification and assessment of impacts, risks, and opportunities (IROs) identified for AS Tallink Grupp, and its value chain have been aligned with the sustainability matters outlined in the topical ESRS standards. For material IROs covered by a topical standard, the required ESRS disclosures are provided. For entity-specific topics, the minimum disclosure requirements serve as the foundation for reporting on policies, actions, targets, and metrics. For a detailed index of information covered in this sustainability statement, see pages 6-18. The analysis was carried out on a consolidated basis, encompassing all entities within AS Tallink Grupp and its subsidiaries.

The Management Board of AS Tallink Grupp considers, among other aspects, IROs as part of the Group's decision-making process during regular meetings. These considerations are also integrated into the annual budgeting process, conducted in Q3 and Q4. The budget is also regularly monitored by the Management Board on a monthly basis and by the Supervisory Board quarterly. Moreover, various committee meetings routinely evaluate both existing and potential IROs to ensure comprehensive oversight.

The identification of IROs followed a top-down approach, guided by strategic-level decision-making. The double materiality assessment and identified IROs align with the sustainability statements covered in this report, ensuring that the topics assessed determine the content of sustainability disclosures.

All sustainability matters, where the Group both influences and is influenced by the external environment, were identified through an analysis of the business model and value chain. This process defined specific impacts, risks, and opportunities over short-, medium-, and long-term time horizons. From the defined IROs only negative impacts and risks were deemed relevant. This reflects prevailing geopolitical and economic challenges, which currently constrain the potential for positive development. However, potential opportunities and positive impacts were also considered, though none were identified as material at the time of the analysis.

The assessment distinguished actual impacts, which have already occurred or are certain to occur, and potential impacts, which may develop over time. The materiality of actual impacts was evaluated based on their severity, while emerging impacts were assessed by considering both their likelihood and severity. Severity assessments factored in the scale, scope, and remediability of consequences. Risk assessment included an evaluation of both the magnitude of the risk and its likelihood of occurrence.

The methodology for AS Tallink Grupp's double materiality assessment was developed by Estonian Center for Applied Sciences CentAR and included the following:

[1] ESG topics correspond to the classification outlined in the ESRS.

[2] Stakeholder opinions were collected via an anonymous online survey, supplemented by focus group discussions and separate interviews with key partners.

[3] Specific ESG impacts were filtered based on the preliminary mapping conducted by the Group's management, stakeholder surveys, and interviews.

[4] Explanatory notes describe the essential aspects and context of specific ESG impacts.

[5] The objective of AS Tallink Grupp's data collection is to support the evaluation of material impacts with factual information, including:

- Data from the past year (or, where available, from recent years) to inform the assessment of specific ESG impacts.
- Key rules, guidelines, and procedures in place within AS Tallink Grupp.
- International agreements and national regulations relevant to the topics, which the Group complies with.

[6] Likelihood is assessed in the short-, medium-, and long-term, and is estimated as a percentage.

[7] In evaluating the Group's potential impacts on the natural environment and people across all ESRS sustainability matters, three criteria must be considered in addition to likelihood: the scale of the impact, the scope of the impact, and the irremediability or compensability of the impact (irremediable character). Each criterion is rated separately on a scale of 0–5. Explanations on how to interpret the distinct levels of the scale are provided in the accompanying evaluation guidelines.

- 0: No impact / negligible scope / no need for remediation
- 1: Minimal impact / minimal scope / easily reversible
- 2: Minor impact / limited scope / requires effort to reverse
- 3: Moderate impact / moderate scope / difficult to reverse
- 4: Significant impact / large scope / very difficult to reverse
- 5: Very significant impact / extensive scope / irreversible or global consequences

[8] In assessing the surrounding environment, such as risks and opportunities across all ESRS sustainability matters (arising from the natural (including physical risks), business, social, and regulatory environments (including transition risks)), some of which may stem from previously detected impacts and dependencies, the evaluation must consider the (potential) effects on the Group's development, financial position, financial performance, cash flow, and cost of capital both in the short-, medium-, and long-term. This is also rated on a scale of 0–5. One approach to scoring involves assessing the potential effect on the Group's net profit or the ratio of additional costs incurred to net profit.

- 0 (no negative impact): No or negligible reduction in profit. Business operations and profitability remain stable.
- 1 (minimal impact): Profit reduction of up to 5%. The impact is short-term and does not significantly affect the Group's long-term financial health.
- 2 (minor impact): Profit reduction of 5–10%. The impact may last for a moderate period, but the Group is likely to recover without lasting consequences.
- 3 (moderate impact): Profit reduction of 10–20%. The impact may be long-term, requiring significant adjustments in strategy or operations.
- 4 (significant impact): Profit reduction of 20–50%. Business operations are significantly disrupted, likely requiring major structural changes or capital injections.
- 5 (very significant impact): Profit reduction of over 50% or the Group becomes permanently unprofitable. Substantial restructuring is needed, and the cessation of business operations cannot be ruled out.

[9] The overall evaluation represents the Group's consolidated view on whether its impact on the environment and people (on the topic in question), or the surrounding environment's effect on the Group is material. If it is, a detailed overview of the current status, plans, objectives, and related information must be included in AS Tallink Grupp's ESG report. The overall score is determined using the following matrix. An impact is considered material if the overall score is 4 or higher.

Materiality assessment matrix of an IRO:

Severity						
5	0	4	4	5	5	5
4	0	3	3	4	4	4
3	0	2	2	3	3	3
2	0	1	1	2	2	2
1	0	1	1	1	1	1
0	0	0	0	0	0	0
Probability	0%	1–25%	26–50%	51–75%	75–99%	100%

Impacts with a materiality score greater than or equal to four are considered material. **Note:** In the case of a negative impact on human rights, the severity score of the impact determines the final materiality score. In such cases, the likelihood of the impact occurring is not relevant.

The basis of the double materiality assessment was stakeholder engagement. The Group identifies stakeholders based on their role as either affected stakeholders or sustainability report users. The Group's primary stakeholders include its employees, customers, partner companies, suppliers, investors, financiers, policymakers, and the communities associated with its operations. Stakeholders were consulted during the materiality assessment process, and their perspectives provided qualitative input for the materiality assessment.

As input for assessing climate-related impacts, AS Tallink Grupp utilised the results of the 2023 greenhouse gas (GHG) assessments for Scope 1 and Scope 2 emissions. The assessment of GHG emissions was based on the methodology of the GHG Protocol. Additionally, the analysis of the impact of climate change on the Group's activities, conducted within the framework of the EU Taxonomy for Sustainable Activities, was used as an input. In analysing both climate change and other thematic areas, key sources of information included assessments from the Group's in-house subject matter experts, as well as reports such as the Eurobarometer on Climate Change, EU Climate Strategies and Targets, EU Progress on Climate Action, the Estonian Climate Change Adaptation Development Plan until 2030, and several other research and survey findings.

Process

Business Process Analysis

The business process analysis examined the Group's economic activities and supply chain, drawing on previous annual reports. The analysis resulted in an initial list of channels through which AS Tallink Grupp influences the broader environment and is, conversely, influenced by it. This list of channels was developed during a workshop attended by the Group's Management Board members, key department heads, and experts, and it served as the starting point for mapping impacts, risks, and opportunities.

Stakeholder Engagement

To engage stakeholders, an online questionnaire was sent out to employees, customers, suppliers (also representing workers in the value chain as a proxy), investors, and other business partners, all of whom were invited to evaluate the significance of various sustainability-related topics. While specific affected communities were not directly engaged in the survey, all other stakeholder groups act as representatives for communities' interest regarding all environmental matters. The survey results were further discussed with stakeholders in focus groups and interviews. These engagement activities provided a foundation for identifying potential IROs. Stakeholder feedback helped determine which sustainability topics were most relevant to the Group's operations and value chain. The results of the stakeholder engagement activities have been presented to the Group's Management Board and discussed with board members during regular Management Board meetings.

Mapping and Assessing Impacts, Risks, and Opportunities

Before the assessment began, the Group identified a preliminary list of potential IROs based on its key ESG impacts and stakeholder feedback. This preliminary mapping process included:

- Reviewing sustainability standards and regulations to identify relevant sustainability areas.
- Analysing input from stakeholder engagement activities to highlight critical topics
- Identifying sustainability matters through which the Group's operations affect the environment, society, and governance.

The preliminary list was then refined and validated during a workshop with the Group's employees from relevant departments. Employees were provided with guidance materials and assessment tables, which were completed by those responsible for the respective areas. The quality of the assessment results was reviewed by external experts. Subsequently, the findings were discussed in the working group, with additional refinements and adjustments made. The results of the assessment were approved by the Group's Management Board.

Stakeholder Expectations and Evaluations

The Group recognises that its impact on society and the environment extends beyond its direct business activities and daily operations. As such, the Group places significant importance on continuous and substantive collaboration and dialogue with key stakeholders, who are both influenced by and influence the Group's business operations. The Group believes that open dialogue and mutually agreed-upon procedures for exchanging critical information foster stronger collaboration, improve service quality, and mitigate risks. This approach allows AS Tallink Grupp to better align its operations with the expectations of its key stakeholders and to contribute consistently to the well-being of communities and environmental sustainability.

As part of a key stakeholder mapping process conducted in partnership with external experts, the Group identified its primary stakeholders: employees, suppliers, finance partners, business partners (e.g. ports), customers, investors. Secondary and tertiary stakeholders were also identified during this process but were not included in the initial DM analysis.

Stakeholder expectations and suggestions are gathered through meetings, surveys, and feedback forms. These activities are integral parts of the double materiality assessment process, where sustainability-related information is exchanged, and stakeholder expectations are mapped. To deepen this understanding, the Group conducted an additional survey targeting representatives from key stakeholder groups. This survey aimed to identify significant topics related to AS Tallink Grupp's activities and areas where the Group has the most impact on their well-being or the environment. To validate the survey results and gain further insight into stakeholder expectations, in-depth interviews and focus groups were held with representatives of several key stakeholder groups.

For this sustainability report, AS Tallink Grupp engaged employees, suppliers, partners, investors, and financiers across all locations within the Group, each of whom has different sustainability-related expectations, priorities, and areas of significance. This information has been a vital input for selecting material topics and defining goals and metrics. Moving forward, the Group aims to continue and enhance its stakeholder engagement, expand information exchange, and further refine its mapping of expectations and impact assessments during the preparation of the 2025 sustainability report.

Stakeholder Priorities

Stakeholders were invited to share their perspectives on the importance of various sustainability areas — environmental issues, social topics, and governance practices — through a structured questionnaire. They were also asked to evaluate AS Tallink Grupp's impacts and the associated risks in these areas. Additionally, all respondents were given the opportunity to elaborate on their views through open-ended questions, which were widely utilised to provide deeper insights.

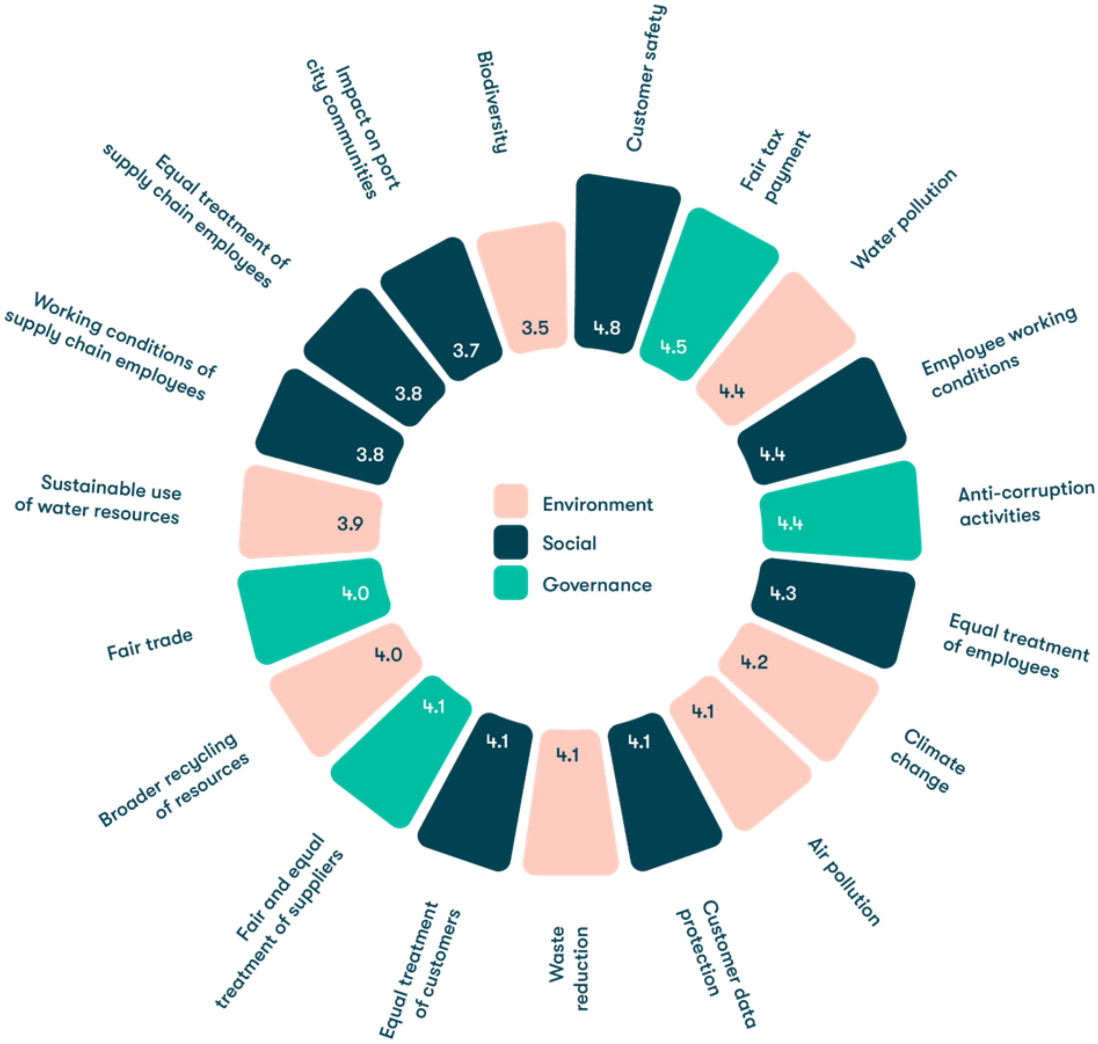
The survey revealed that all key sustainability areas are equally important to stakeholders, with nearly all topics received an average rating of over four on a five-point scale. This indicates that stakeholders consider sustainability topics highly significant. However, the survey results alone are insufficient for prioritising activities. Even large organisations cannot address all topics with equal intensity and must focus their efforts.

Consequently, the Group's list of material topics does not align directly with the survey results but also considers other factors. For instance, some topics identified as important by stakeholders are already governed by strict IMO regulations, such as marine pollution from ships, which has been minimised over the years.

In addition to the survey, in-depth interviews were conducted with stakeholders, yielding detailed and meaningful suggestions as well as specific expectations tailored to individual stakeholder groups. These insights are highly valuable to the Group and will form the basis for continued collaboration, even if not all of them are reflected in the sustainability report.

The following illustration highlights only a few of the most emphasised aspects identified through stakeholder feedback. As a result of the feedback received, AS Tallink Grupp has not made any changes to its strategy or business model at present.

Stakeholders' assessments of topic materiality average score on a scale of 0 (immaterial) to 5 (highly material):



The expectations of regulators and policymakers were not separately mapped, as they can be inferred from rapidly changing regulations and increasingly comprehensive international agreements. Compliance with these regulations and alignment with them are of critical importance both for AS Tallink Grupp and all its stakeholders. A general expectation expressed by many stakeholder representatives was the need for continuous and open exchange of information and experiences on sustainability topics. This sustainability report serves to support that objective.

Key topics highlighted by stakeholder groups:

Stakeholder group	Material topics, risks and expectations in relation to AS Tallink Grupp's sustainability strategy	Affected stakeholders	Sustainability Report users
Own workers	→ Meaningful work, equal treatment of employees both at sea and on land, across all operating countries, fair remuneration, and development opportunities. → Waste management and reducing waste generation are considered significant opportunities by employees. While substantial efforts are already being made, employees provided many new suggestions for improvement.	✓	
Customers	→ Transparency and open exchange of information regarding environmental, social, and governance aspects of operations. → Protection of customer data. → Availability of environmentally friendly and sustainable options within the range of services.	✓	
Suppliers and business partners	→ Compliance with rapidly changing regulations and standards is a primary expectation. → Sustainability topics are increasingly at the core of corporate strategies, with ambitious environmental goals, making minimal environmental impact across their supply chains crucial. → At the same time, Tallink Grupp has numerous suppliers, presenting opportunities for collaboration to make its supply chains more environmentally friendly.	✓	✓
Logistics partners, ports	→ Collaboration with communities living around ports is very important, and its significance continues to grow. → Joint efforts are needed in transportation and logistics to reduce greenhouse gas emissions related to boarding and disembarking. → Increased use of shore power, particularly clean shore power, is necessary.	✓	
Finance providers	→ ESG topics are considered an integral part of business culture by financiers, with high expectations in this area. Every client is expected to transition to clean operations (including a transition plan) and align with banks' sectoral policies. → Banks have ambitious goals regarding the environmental impact of their portfolios and require continuous updates on progress, making open data exchange critically important. → Beyond ongoing operations, the entire lifecycle of ships and the recycling or reuse of materials at the end of their service life is also a key consideration.	✓	✓
Investors	→ Strategies, action plans, and activities must be in place to mitigate risks related to environmental, social, and governance (ESG) issues and to ensure the sustainability of the Group's business model.	✓	✓

Overview of Material Impacts, Risks, and Opportunities

Based on stakeholder assessments and expectations, as well as an evaluation of all identified potential impacts, risks, and opportunities, the Group's ESG working group focused primarily on identifying material impacts and risks. AS Tallink Grupp identified six key impact areas, encompassing a total of nine specific issues that will receive heightened attention in the coming years.

Climate Change and Air Pollution

Topic	IRO type	Origin	Time horizon	Strategic goal
GHG emissions from vessels and other equipment and sources.	Actual impact (negative)	Own operations	Short- and medium-term	Reduce Scope 1 and Scope 2 GHG emissions; elaborated under the chapter Climate change
GHG emissions as a result of purchased energy.	Actual impact (negative)	Upstream value chain	Short- and medium-term	

AS Tallink Grupp's GHG emissions originate from shipping, with additional emissions from shore operations and those associated with hotel services. In alignment with the goal of mitigating climate change, the Group monitors progress toward the following key objectives:

Objective	Baseline (2023, unless stated otherwise)	Target (2030)
Reduce the Group's Scope 1 and Scope 2 emissions	423 211 tCO_2e	Per annum reduction of at least 2% (in absolute terms)
Meet the requirements of FuelEU Maritime Regulation	91.16 grams CO_2 e per MJ	In line with FuelEU Maritime regulation[1]

The Group's commitment to reducing GHG emissions and complying with the FuelEU Maritime regulation ensures its resilience against evolving regulatory requirements and market expectations, safeguarding both financial stability and operational continuity over the medium term. The Group recognises that its material impacts, such as Scope 1 and Scope 2 GHG emissions, have significant financial implications. By achieving a 2% annual reduction in Scope 1 and Scope 2 emissions, the Group expects to mitigate potential carbon taxes and improve operational efficiency. While the exact financial impacts are subject to carbon market fluctuations, the detailed disclosure will be available in subsequent reports as more data becomes available.

The DMA confirms that the Group's business activities do not have any material impacts, risks or opportunities regarding water and marine resources, biodiversity and ecosystems, or circular economy and resource use that are not already sufficiently covered under disclosures connected to other topical

[1] The FuelEU Maritime Regulation (Regulation (EU) 2023/1805) requires that, between 2025 and 2030, the carbon intensity of energy used on ships must be 2% lower than the baseline level of 91.16 g-CO_2e per MJ, resulting in a limit of 89.34 g-CO_2e per MJ.

standards. Additionally, as the Group has no operational sites in or near biodiversity-sensitive areas, it has therefore concluded that there is no reason to implement any special mitigation measures. While water pollution was not assessed as a material matter, the Group has still decided to report on its initiatives in this area due to high stakeholder interest and to ensure historical continuity.

Own Employees' Working Conditions and Equal Treatment

Own Employees' Working Conditions

No significant material issues were identified regarding employee working conditions; however, ensuring health and safety of all maritime employees remains a top priority for the Group. Workplace accidents and health risks not only impact employees' well-being but also pose potential financial risks due to compensation claims, regulatory compliance, and operational disruptions.

Topic	IRO type	Origin	Time horizon	Strategic goal
Own workers' work accidents need to be maintained on current level or reduced to ensure health and safety of employees.	Risk	Own operations	Short-, medium-, and long- term	Maintain a low-level baseline of work accidents short-term, reduce accidents medium-term, and maintain 0 fatal work accidents baseline.
Own workers' health and safety at work.	Risk	Own operations	Short-, medium-, and long- term	

The Group's strategic focus on maintaining a low Lost Time Injury Frequency Rate (LTIFR) and zero fatal accidents supports its resilience by ensuring a safe and productive working environment. These goals align with the Group's broader sustainability strategy to foster employee well-being and operational stability.

Objective	Baseline (2023, if not stated otherwise)	Target (2030)
Maintain baseline LTIFR level or below across group short-term and reduce LTIFR level long-term.	LTIFR baseline: 13.3	Maintain low-level baseline level.
Maintain a 0 fatal work accident level across the group (excl. fatal incidents resulting from underlying health issues).	Number of fatal work accidents: 0	Number of fatal work accidents: 0

Human Rights in the Value Chain

Prevention of Human Rights Violations

The Group acknowledges the importance of human rights risks concerning workers in its supply chain, particularly child labour and unsafe working conditions. While no specific violations have been identified to date, these risks remain material due to the complexity of global supply chains. Addressing these risks through an enhanced due diligence practice not only safeguards workers' rights but also mitigates financial risks such as legal penalties and supply chain disruptions. Strengthening human rights in the supply chain supports the Group's long-term resilience and aligns with stakeholder expectations for ethical business practices.

The following strategic goals and objectives are interconnected with the goals described under supply chain and management of business relations. In alignment with ESRS reporting requirements, the focus is on material upstream and downstream value chain information, rather than detailing all actors in the supply chain. Human rights considerations related to other parts of the value chain, such as the Group's own workforce, consumers, and end-users, are addressed in their respective chapters of this report.

Topic	**IRO type**	**Origin**	**Time horizon**	**Strategic goal**
Ensuring that human rights are protected across the whole value chain, with particular focus on supply chain.	Risk	Upstream value chain	Short-, medium-, and long term	Enhance due diligence in the supply chain.

Objective	**Baseline** (2023, unless stated otherwise)	**Target** (2030)
Make the *due diligence* process in the supply chain more effective as part of the Group's regular supplier audits.	The Group carries out 10-15 general supplier audits per annum according to its annual audit plan. No ESG related violations are identified during those audits.	Maintain level of ESG related violations identified during regular supplier audits.
100% compliance with the Supplier Code of Conduct.	Compliance level: 100%	Maintain baseline level.

Customer Safety

Ensuring the Continued Safety of Passengers

Passenger safety remains AS Tallink Grupp's priority, as identified by stakeholders and internal assessments. Ensuring safety across operations is vital for customer trust and satisfaction while mitigating risks of financial liabilities, such as compensations claims and reputational harm. The Group's proactive approach includes robust safety protocols, and regular training programs, which collectively enhance operational resilience and long-term stability.

Topic	IRO type	Origin	Time horizon	Strategic goal
Ensuring customer safety across operations, with particular focus on safety in maritime transport.	Risk	Own operations	Short-, medium-, and long term	Prevent serious incidents leading to significant losses.

Objective	Baseline (2023, unless stated otherwise)	Target (2030)
Prevention of serious incidents leading to significant losses (human, financial, data, or other) through preventative measures and effective Security and safety procedures.	Number of serious incidents: 0	Number of serious incidents: 0

Protection of Customer Data

Ensuring the Protection of Customer Data Remains a Key Priority to Prevent Data Breaches and to Ensure its Purposeful Use

Protecting customer data remains a top priority for the Group to prevent breaches, ensure compliance with data protection regulations, and maintain customer trust. Effective data protection practices mitigate risks associated with potential financial liabilities, such as fines under General Data Protection Regulation (GDPR), and safeguard against reputational harm. The Group's strategy includes regular risk assessments, and employee training programs. These measures ensure resilience against emerging threats and support the Group's long-term commitment to operational excellence and customer satisfaction.

Management of Business Relationships in the Supply Chain

Transparency in the Supply Chain and Management of Business Relationships

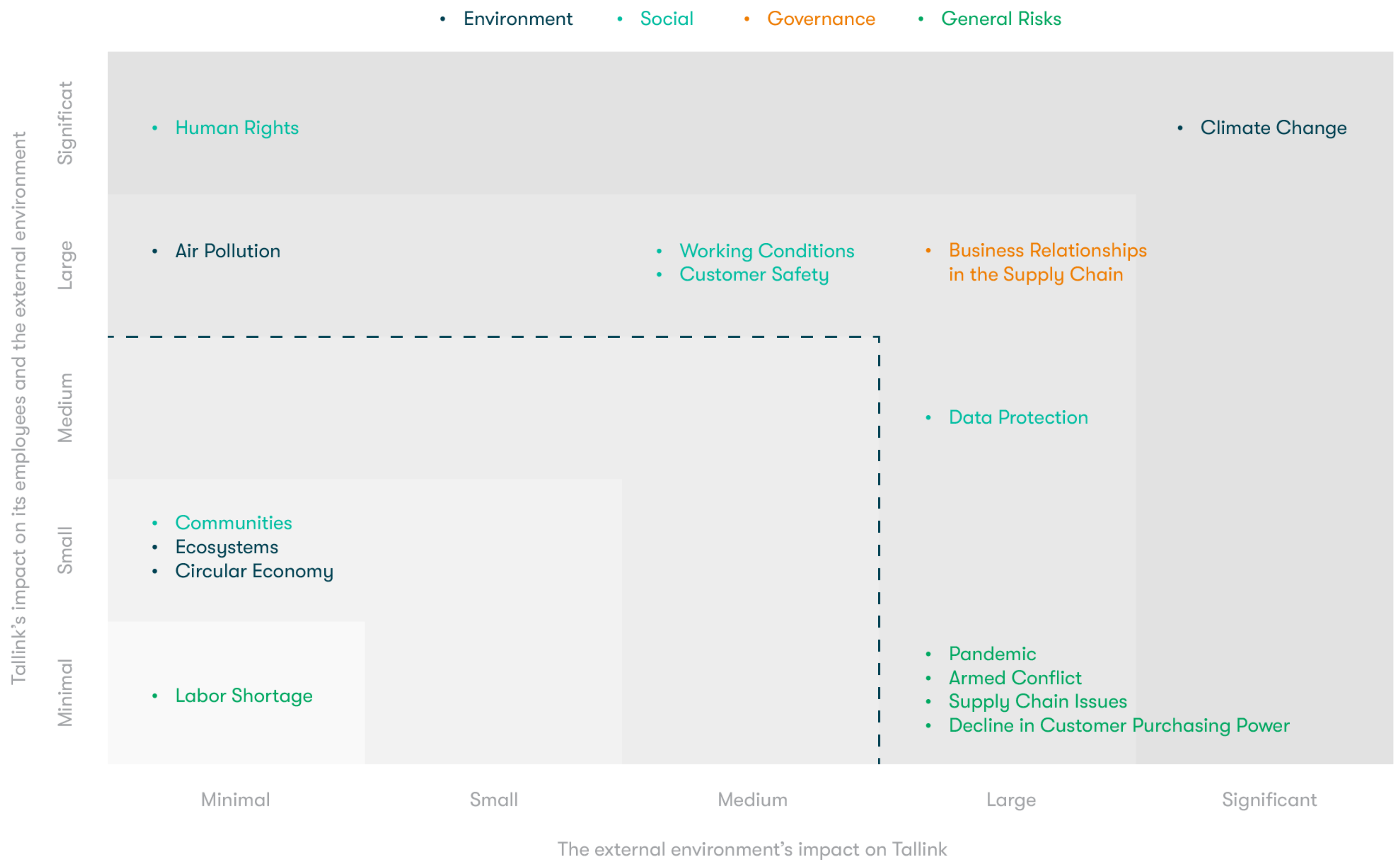
The Group has identified supply chain transparency and due diligence as material topics, recognising their impact on workers' rights and environmental sustainability. Compliance with the Supplier Code of Conduct is monitored through regular supplier audits, which mitigate the risks of non-compliance and ensure adherence to ESG requirements. These efforts not only safeguard the Group's reputation but also reduce financial risks associated with supply chain disruptions and regulatory penalties. By enhancing its due diligence process, the Group aims to strengthen its resilience against evolving ESG risks and ensure long-term operational stability.

No significant problematic issues related to governance emerged during the analysis; however, it was assessed that the risks associated with supply chain disruptions have increased. The Group recognises the need to enhance its understanding of activities within its value chain.

Topic	IRO type	Origin	Time horizon	Strategic goal
Suppliers and supply chain transparency and due diligence.	Risk	Upstream value chain	Short-, medium-, and long-term	Suppliers meet Supplier Code of Conduct requirements and Group enhances due diligence within the supply chain.

Objective	Baseline (2023, unless stated otherwise)	Target (2030)
All large suppliers meet the requirements set out in the Group's Supplier Code of Conduct.	100% of the Group's strategic and large suppliers are familiar with and committed to the Group's Supplier Code of Conduct (contracts in excess of 50 000 EUR).	Maintain baseline level.
Make the *due diligence* process in the supply chain more effective as part of the Group's regular supplier audits.	The Group carries out 10-15 general supplier audits per annum according to its annual audit plan. No ESG related violations are identified during those audits.	Maintain level of 0 ESG related violations identified during regular supplier audits.

Double materiality matrix 2024



Environment

EU Taxonomy Reporting

In accordance with Article 8 (1) of the Taxonomy Regulation (EU) 2020/852, the Group is required to report how and to what extent its economic activities are aligned with environmentally sustainable economic activities as defined in the taxonomy. The Taxonomy Regulation covers economic activities that can contribute to six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

Under Article 8 (2), the Group, as a non-financial undertaking, is required to disclose key performance indicators relating to turnover, capital expenditure and operating expenses. At present, three of the Group's economic activities are subject to the Taxonomy Regulation:

- transportation of freight by sea and coastal waters (CCM & CCA 6.10),
- transportation of passengers by sea and coastal waters (CCM & CCA 6.11), and
- hotels, holiday, camping grounds and similar accommodation (BIO 2.1).

The Group’s other activities, which include onboard restaurant and sales services, onshore restaurant services, online shop, and onshore business are classified as taxonomy non-eligible activities. This applies also to the operation of vessels that do not provide transportation services but are used to provide accommodation services to refugees. The Group is not involved in the construction, operation, or financing of nuclear energy or natural gas facilities.

The Group has presented key performance indicators at the consolidated group level, and split these between different economic activities, to avoid double counting.

KPIs related to EU taxonomy – turnover (millions of euros)

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activity (1)	**Code(s) (2)**	**Absolute turnover (3)**	**Proportion of turnover (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water and marine resources (13)**	**Circular Economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum safeguards (17)**	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2023 (18)	Category (enabling activity) (19)	Category '(transitional activity)' (20)
		Currency	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Activity 1 : Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	45.0	6%	6%	0%	0%	0%	0%	0%	N/A	Y	Y	Y	Y	Y	Y	7%		T
Activity 2 : Sea and coastal passenger water transport	CCM 6.11	77.8	10%	10%	0%	0%	0%	0%	0%	N/A	Y	Y	Y	Y	Y	Y	10%		T
Turnover of Taxonomy-aligned activities (A.1)		**122.8**	**16%**	**16%**	**0.0**	**0%**	**0%**	**0%**	**0%**	**N/A**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**17%**		
Of which enabling		-	-	-							-	-	-	-	-	-			
Of which transitional		122.8	100%	100%						N/A	Y	Y	Y	Y	Y	Y	100%		T
A.2 Taxonomy-Eligible but not aligned activities																			
Activity 1 : Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	49.9	6%														6%		
Activity 2 : Sea and coastal passenger water transport	CCM 6.11	148.0	19%														16%		
Activity 3 : Hotels, holiday, camping grounds and similar accommodation*	BIO 2.1	24.5	3%														3%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		222.4	28%														25%		
Total (A.1 + A.2)		**345.1**	**44%**														**42%**		
B. Taxonomy non-eligible activities																			
Turnover of taxonomy non-eligible activities		440.7	56%																
Total (A+B)		**785.8**	**100%**																

KPIs related to EU taxonomy – capital expenditure (millions of euros)

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activity (1)	**Code(s) (2)**	**Absolute turnover (3)**	**Proportion of turnover (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water and marine resources (13)**	**Circular Economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum safeguards (17)**	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2023 (18)	Category (enabling activity) (19)	Category '(transitional activity)' (20)
		Currency	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Activity 1 : Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	5.2	15%	15%	0%	0%	0%	0%	0%	N/A	Y	Y	Y	Y	Y	Y	46%		T
Activity 2 : Sea and coastal passenger water transport	CCM 6.11	6.9	20%	20%	0%	0%	0%	0%	0%	N/A	Y	Y	Y	Y	Y	Y	47%		T
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**12.1**	**35%**	**35%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N/A**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**92%**		
Of which enabling		-	-	-							-	-	-	-	-	-			
Of which transitional		12.1	100%	100%						N/A	Y	Y	Y	Y	Y	Y			T
A.2 Taxonomy-Eligible but not aligned activities																			
Activity 1 : Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	1.6	5%														7%		
Activity 2 : Sea and coastal passenger water transport	CCM 6.11	3.0	9%														9%		
Activity 3 : Hotels, holiday, camping grounds and similar accommodation*	BIO 2.1	0.1	0%														1%		
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**4.6**	**13%**														**17%**		
Total (A.1 + A.2)		**16.7**	**49%**														**51%**		
B. Taxonomy non-eligible activities																			
Capex from non-eligible activities		17.7	51%																
Total (A+B)		**34.4**	**100%**																

KPIs related to EU taxonomy – operating expenses (millions of euros)

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activity (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular Economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2023 (18)	Category (enabling activity) (19)	Category '(transitional activity)' (20)
		7%	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Activity 1 : Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	12.9	14%	14%	0%	0%	0%	0%	0%	N/A	Y	Y	Y	Y	Y	Y	15%		T
Activity 2 : Sea and coastal passenger water transport	CCM 6.11	10.4	11%	11%	0%	0%	0%	0%	0%	N/A	Y	Y	Y	Y	Y	Y	12%		T
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**23.3**	**25%**	**25%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N/A**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**27%**		
Of which enabling		-	-	-							-	-	-	-	-	-			
Of which transitional		23.3	100%	100%							Y	Y	Y	Y	Y	Y			T
A.2 Taxonomy-Eligible but not aligned activities																			
Activity 1 : Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	8.8	9%														8%		
Activity 2 : Sea and coastal passenger water transport	CCM 6.11	8.8	9%														8%		
Activity 3 : Hotels, holiday, camping grounds and similar accommodation*	BIO 2.1	2.7															3%		
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**20.2**	**22%**														**19%**		
Total (A.1 + A.2)		**43.5**	**47%**														**46%**		
B. Taxonomy non-eligible activities																			
Opex from non-eligible activities		49.4	53%																
Total (A+B)		**92.9**	**100%**																

Nuclear and fossil gas-related activities for revenue, CapEx and OpEx

Nuclear energy-related activities	Yes/No
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas-related activities	**Yes/No**
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Accounting Policies: Eligibility

The KPIs stated in this report have been calculated according to the commission delegated regulation as follows:

- Proportion of turnover = eligible turnover/total turnover
- Proportion of capital expenditure (CapEx) = eligible CapEx/total CapEx
- Proportion of operational expenditure (OpEx) = eligible OpEx/total OpEx

The turnover from services related to the taxonomy-eligible activities includes vessels' ticket revenue, revenue from the chartering of vessels, cargo revenue and revenue from hotels. The turnover from taxonomy-eligible activities does not include revenue from onboard and onshore restaurant and retail services and the online shop. The total turnover used to calculate the proportion of taxonomy-eligible activities in the Group's turnover includes total turnover without exceptions.

Taxonomy-eligible services related capital expenditure consists of investments in the Group's sea-going vessels and hotels. Due to the nature of the Group's economic activities, its vessels carry both passengers and cargo, therefore investments in vessels contribute to both types of activities. Technical investments in the Group's vessels are divided equally between passenger and freight transport activities. Capital expenditure related to the public areas of the vessels are allocated between activities according to the share of passengers and cargo drivers among the total number of passengers. The total capital expenditure used to calculate the proportion of taxonomy-eligible activities in the Group's capital expenditure includes total capital expenditure without exceptions.

Operating expenses related to taxonomy-eligible activities include costs directly related to the maintenance of vessels to ensure their continued and efficient operation. Operating expenses are broken down between passenger and cargo transport as follows: the operating expenses of cruise vessels are equally split between passenger and freight transport activities. The operating expenses of cargo vessels are fully allocated to freight transport. Total operating expenses for calculating the share of taxonomy-eligible activities in the Group's operating expenses include total costs related to maintenance of the Group's assets such as direct service and technical maintenance cost, personnel costs related to service and technical maintenance, the cost external maintenance services related to the assets, and IT costs arising from the development and maintenance of the IT equipment of the vessels and hotels.

Contextual (qualitative) Information

In accordance with Annex I to the Taxonomy Regulation, the Group is obliged to explain its key performance indicators and the reasons for any changes in these indicators during the reporting period. There were small revisions to the methodology for calculating eligibility figures:

- The calculation of shipping operating expenses was adjusted to exclude certain allocations from other departments.
- Rental agreements that have been recognised based on IFRS-16 were added to the calculation of capital expenses.

In 2023, majority of rental agreements recorded based on IFRS-16 (that were added to capital expenditure calculations) were related to activities that were not taxonomy-eligible nor taxonomy-aligned. Therefore, the proportions of taxonomy-aligned and taxonomy-eligible capital expenses for the financial year 2023 were corrected downwards.

KPIs Related to the EU Taxonomy – Corrections of 2023 Figures

	Share of taxonomy-eligible capital expenditure, 2023	Share of taxonomy-eligible capital expenditure, 2023 (corrected)
Activity 1: Sea and coastal freight water transport, vessels for port operations and auxiliary activities	18%	14%
Activity 2: Sea and coastal passenger water transport	27%	20%
Taxonomy eligible activities	**45%**	**34%**

Accounting Policies: Alignment Assessment

According to Article 3 of Regulation (EU) 2020/852, an activity is environmentally sustainable (i.e. taxonomy-aligned), if it:

- contributes substantially to one or more of the environmental objectives
- does not significantly harm any of the environmental objectives
- is carried out in compliance with the minimum safeguards

Substantial Contribution

The Group's substantial contribution to climate change mitigation through transportation of freight by sea and coastal waters (CCM 6.10) and transportation of passengers by sea and coastal waters (CCM 6.11), was assessed according to the technical criteria listed in Annex I to Delegated Regulation (EU) 2021/2139. The assessment was carried out vessel by vessel. First the Group calculated the EEXI (Energy Efficiency Existing Ship Index) value of a ship. In the case of passenger vessels, the EEXI value was compared to the threshold provided by the technical screening criteria in Annex I 6.11 (c)[2] to

[2] The screening criteria provide value for the EEDI (Energy Efficiency Design Index), however, the EEDI is calculated only for new ships and not for existing ones. As the calculation principle is the same and the Group's fleet consists of existing ships that have no EEDI value, EEXI is used instead of the EEDI.

Delegated Regulation (EU) 2021/2139. Where the value of EEXI was below the threshold, the taxonomy-eligible turnover, capital expenditure and operating expenses that were associated with that vessel were classified as substantially contributing to climate change mitigation. For cargo vessels, the Group used the threshold provided by the technical screening criteria in Annex I 6.10 (c) to Delegated Regulation (EU) 2021/2139. Due to methodological reasons, it was not possible to calculate the EEXI values for two of the Group's newest vessels (Megastar and MyStar). The indicators of these vessels were classified as not aligned with the EU taxonomy. In addition, the vessels for which the EEXI values exceeded the required criteria were considered as not aligned with the EU taxonomy.

To evaluate the Group's substantial contribution to climate change adaptation through transportation of freight by sea and coastal waters (CCA 6.10) and transportation of passengers by sea and coastal waters (CCA 6.11) a climate risk and vulnerability assessment (as foreseen in Delegated Regulation (EU) 2021/2139, Annex I, Appendix A) was conducted in 2022, which revealed minor negative impacts from climate risks, which have been addressed through appropriate adaptation measures. In the beginning of 2025, the risk assessment was reviewed and updated to ensure alignment with the most recent Intergovernmental Panel on Climate Change Assessment report (AR6). As no significant changes were identified in the Group's vulnerability to climate risk, it was concluded that the adaptation measures in place remain sufficient to mitigate identified risks. The same assessment also applies to the Do No Significant Harm (DNSH) criteria within activities contributing to climate change mitigation. Resilience to these risks is further described in the Sustainability report under the section dedicated to Climate change.

During 2024, the Group also reviewed its potential to substantially contribute to the biodiversity objective through hotels, holiday, camping grounds and similar accommodation activity (BIO 2.1). While eligible, the Group currently does not fulfil the specific substantial contribution criteria for contractual agreements with organisations in charge of conservation or restoration areas with action plans specific to tourism services provided.

Do No Significant Harm

In the scope of Taxonomy-aligned services in the Baltic Sea, strict environmental criteria are applied, compared with world and European average. The Do No Significant Harm (DNSH) principle is closely followed in daily operations and the Group's activities 6.10 and 6.11 are aligned with the DNSH principle according to the technical screening criteria established in Delegated Regulation (EU) 2021/2139 as described in the table below.

Environmental objective	CCM 6.10	CCA 6.10	CCM 6.11	CCA 6.11	Compliance
Climate mitigation	N/A	✓	N/A	N/A	No vessels in the group are dedicated to the transport of fossil fuels
Climate adaptation	✓	N/A	✓	N/A	Climate risk and vulnerability assessment carried out; appropriate adaptation measures in place
Water	✓	✓	✓	✓	Risks identified, zero-spill policy and individual Ship Oil Pollution Emergency Plans applied in all Group's shipping operations
Circular economy	✓	✓	✓	✓	Measures in place for waste prevention and handling; Proven compliance with the Annex V to IMO MARPOL Convention as well as relevant EU regulations
Pollution prevention	✓	✓	✓	✓	Proven compliance with the Annexes VI and IV to the IMO MARPOL Convention and Directive (EU) 2016/802 as well as Regulation (EU) No 528/2012
Biodiversity	✓	✓	✓	✓	Appropriate measures in place to prevent the introduction of non-indigenous species; Noise and vibrations are limited in line with IMO guidance where appropriate; Zero-spill policy in place; Support in projects with the aim of protecting the Baltic Sea marine environment

Minimum Safeguards

An overview of the applied minimum safeguards is provided in the Governance chapter of this Sustainability Statement.

Alignment with the Taxonomy

In 2024, the decrease in the proportion of turnover and operating expenses aligned with the taxonomy can be primarily attributed to a larger portion of the Group's economic activities being conducted by taxonomy non-aligned vessels. For example, for the Group's newer ships that are equipped with modern propulsion systems (such as MyStar and Megastar) the Energy Efficiency Design Index (EEDI) is not issued, and Energy Efficiency Existing Ship Index (EEXI) cannot be calculated. These indexes have been utilised by the Group to determine which ships are considered aligned with the taxonomy, which in turn forms the basis for taxonomy alignment calculations. Despite our new ships being more environmentally friendly than the older ones, we have categorised them as not aligned due to the reasons mentioned above. The proportion of capital expenditure aligned with the taxonomy increased compared to the financial year 2023 due to higher proportion of investments into vessels that are considered aligned with the taxonomy.

Climate Change

Since shipping has been classified as a climate-vulnerable and high-impact sector[3], the most significant IROs for AS Tallink Grupp—whose main operation is maritime transport of people and goods—are also related to climate change and the environment. As part of the DMA, the key IROs listed below were identified as the most significant for the Group. These were all identified as risks or negative impacts, and material due to the actual or potential impact. Notably, all identified risks are actual and already materialised:

- GHG emissions from operations, specifically emissions from shipping operations. These represent an actual negative impact in the short-, and medium-term, with potential risks in the medium-, and long-term.
- GHG emissions from the Group's other operations (purchased energy), such as onshore activities and Scope 2 emissions. These also represent an actual negative impact in the short-, and medium-term, with potential risks in the medium-, and long-term.

Climate Risk and Resilience

A climate-related risk assessment has been conducted in the context of the activities covered by the EU Taxonomy Regulation, with the involvement of an external environmental expert in the initial climate risk evaluation. Additionally, the Group has internally performed an initial business model resilience analysis in relation to identified risks, aimed at informing the short-term decision-making and tactical activity planning. The Group plans to undertake further climate-related risk assessments covering a broader range of activities in the coming reporting periods.

Business Model Resilience Analysis

The analysis was conducted by considering the full scope of the Group's operations and activities, including the entire value chain. To conduct scenario analyses for AS Tallink Grupp under the Task Force on Climate-related Financial Disclosures (TCFD), the Group explored the potential impacts of climate-related risks and opportunities across different time horizons, based on two primary climate scenarios:

1. **Low-Carbon Transition Scenario (aligned with 1.5°C or 2°C warming limit)**[3]
   This scenario assumes that governments and businesses implement strong climate policies, leading to rapid decarbonization and the widespread adoption of clean technologies.
2. **High-Impact Climate Change Scenario (3°C+ warming scenario)**[3]
   This scenario assumes limited or no global action on climate change, leading to higher global temperatures, increased extreme weather events, and greater disruption to ecosystems and economies.

As part of the climate scenario analysis, the Group discussed and analysed the following key transition risks within the short-term horizon:

- Regulatory risks and opportunities (Fit For 55, FuelEU Maritime Regulation, carbon pricing mechanisms, and more).
- Market risks and opportunities (increased costs due to transition to sustainable fuels, increased capital investment requirements, and more).
- Reputational risks and opportunities (failure to transition to low-carbon operations could have a damaging impact on reputation).

[3] IPCC's Fifth Assessment Report (AR5)

- Technology risks and opportunities (risk of stranded assets if older fleet cannot be retrofitted with new technologies, and more).

As well as physical risks:

- Several physical weather-related acute risks: increased extreme weather events (e.g., storms impacting operations), sea ice variability (could be both a risk and an opportunity).

Conclusions from Scenario Analysis and climate resilience analysis:

- **Low-Carbon Transition Scenario:** In the short-term horizon, AS Tallink Grupp faces upfront capital costs for decarbonization and fleet modernisation. However, in the medium- to long-term, these investments are expected to yield operational efficiencies, reduced carbon costs, and a strengthened reputation as a sustainable leader. AS Tallink Grupp has already invested into eco-friendly fuels and vessel upgrades, newbuilds and retrofits, which gives the Group a clear competitive advantage already on the Tallinn-Helsinki route and helps minimise future potential costs for transitioning to new technologies and fuels.
- **High-Impact Climate Change Scenario:** In the short-term horizon, the Group faces increased physical risks from extreme weather events and regulatory uncertainty, which could disrupt operations and profitability. To address these risks in the medium- to long-term, proactive climate adaptation measures, including resilient infrastructure and optimised logistics, will be essential to minimise disruptions and costs.

The Group's strategic focus is on prioritising investing into decarbonization technologies, fleet upgrades, and resilience-building measures to ensure long-term sustainability and mitigate the potential financial impacts under both scenarios.

Policy and Targets

The Group's double materiality assessment identified GHG emissions as one of the key impact areas, setting a clear expectation for the Group to engage in emissions reduction activities and strategies. Furthermore, the EU, under its 'Fit for 55' package, has mandated a 55% reduction in Union-wide GHG emissions by 2030 compared to 1990 levels. This target represents a cross-sectoral goal. In parallel, IMO has established sector-specific targets for shipping, aiming to reduce GHG emissions by 20% in absolute terms by 2030 and 70% by 2040 compared to 2008 levels[4]. These targets are legally binding for international shipping. To achieve these goals, both the EU and IMO have introduced mandatory measures for shipping companies. AS Tallink Grupp remains fully committed to achieving these targets by adopting technological advancements and leveraging the development of low- or zero-carbon fuels, provided they become available at price point that are acceptable from both a societal and market perspective.

While the Group does not yet have a formal climate change related policy or transition plan, it has established strategic principles and targets for reducing GHG emissions, in addition to ensuring compliance with EU and IMO targets. After the stakeholder engagement conducted in the DMA process, the Group has reviewed its strategic GHG emission reduction goals and ensured that stakeholder expectations are continuously reflected in its strategic GHG emission reduction goals. The Group has implemented a short-term action plan focused primarily on energy efficiency projects and other technological advances aimed at reducing or optimising fuel consumption and, in turn, reducing emissions. This strategy helps to ensure the useful life cycle of existing vessels, which have been upgraded to meet all current and foreseeable regulatory requirements. Medium- to long-term action plans will depend on developments in sustainable fuel solutions for the shipping industry in the coming

[4] 2023 IMO Strategy on Reduction of GHG Emissions from Ships

years. More detailed climate transition and carbon reduction action plans can only be established once there is greater clarity on the availability and viability of sustainable fuels for shipping. As shipping is a sector characterised by significant lead times for fleet development and construction, with vessel lifespans reaching up to 50 years, medium- to long-term plans are made only after thorough discussions and careful consideration. These plans will be developed when all relevant information is available, ensuring that decisions are well-informed.

AS Tallink Grupp has set an ambition to reduce the absolute CO_2 emissions of its Scope 1 and Scope 2 activities by 2% per annum. These targets will be reviewed, and medium- and long-term targets will be established before 2027.

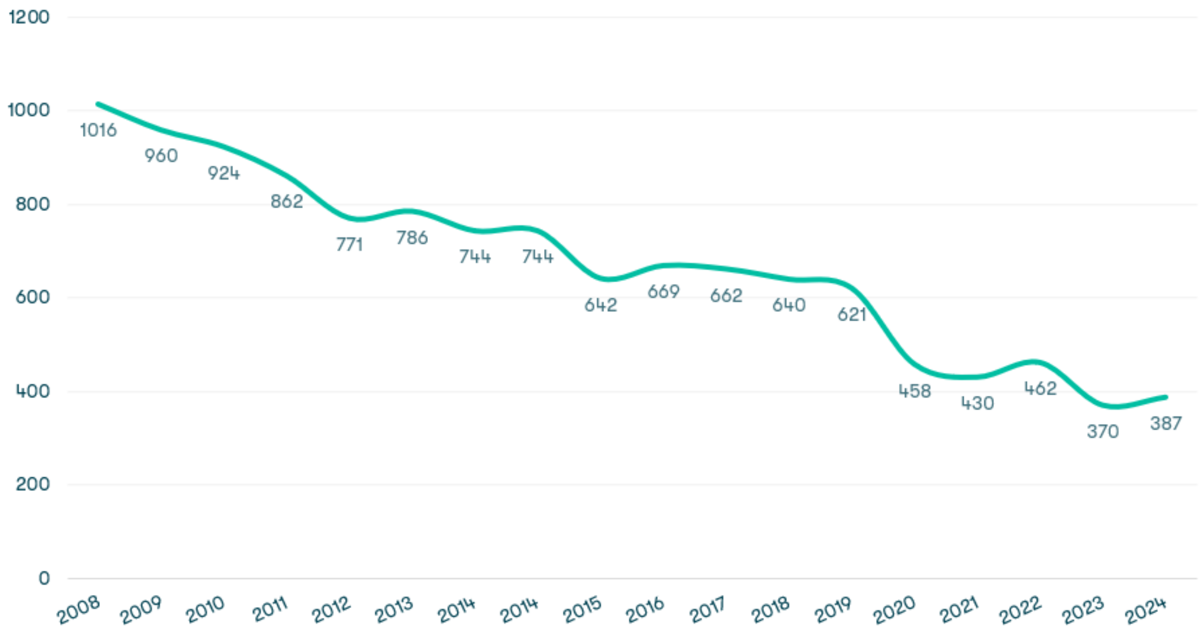
When setting the current goal, the Group engaged internal experts, including the Environmental Expert of Ship Management and the Chief Captain, both of whom bring significant expertise in current and future ship fuels, combustion processes, and their potential emissions. The target was set based on the average emissions from the baseline years of 2023, using realistic assumptions derived from an internal assessment of historical CO_2 reduction data dating back to 2008. This also accounted for changes to the fleet, routes, and operations during the COVID-19 pandemic. The potential for short-term emissions reductions was assessed based using existing fuels and technologies, alongside forecasting of passenger and cargo traffic on the Baltic Sea in the short- and medium-term. This process involved extensive internal discussions with the Group's Management Board, ship management, and environmental experts. The Group acknowledges that its current short-term targets are not science-based or aligned with the 1.5° C trajectory. Instead, they are grounded in operational data, currently available technologies, and existing fuel options, including IMO's decarbonization pathways. As international shipping is recognised as a hard-to-abate sector for climate change, the Group's ability to establish more scientifically accurate and longer-term emissions reduction targets depends on advancements in sector-wide technologies and fuel solutions. Consequently, the Group's investments and actions are primarily directed toward reducing CO_2 emissions from vessel operations, which represent the largest source of emissions. AS Tallink Grupp has not yet established targets for Scope 3 emissions reductions, as the baseline for these emissions is still being calculated. Scope 3 targets are planned to be set in the coming reporting years, once the baseline has been finalised.

Actions and Achievements

GHG emission reductions since 2008 have been achieved through fleet renewal and efficiency improvements on the existing fleet. Over this period, the fleet's overall size has remained roughly unchanged. Several newbuilds have been completed during this time, including 2 LNG fuelled vessels (Baltic Princess 2008, Baltic Queen 2009, Megastar 2017, MyStar 2022).

From 2008 to 2019, AS Tallink Grupp's operations remained at a comparable scale, during which CO_2 emissions from the fleet were reduced by 39%. Since 2019, CO_2 emissions have decreased even further, reaching a 63% reduction by 2023. In 2024, CO_2 emissions amounted to 387 267 tonnes.

Reduction in shipping operations across time (in thousands of tCO_2):



In 2024, the Group's total amount of greenhouse gasses measured in CO_2 equivalents (as calculated in accordance with MRV Regulation (EU) 2015/757) for the core fleet (MyStar, Megastar, Baltic Queen, Silja Symphony, Silja Serenade and Baltic Princess) amounted to 327 838 tonnes.

For existing vessels, a CO_2 Reduction Plan has been developed, outlining planned projects along with their performance evaluation metrics. These projects include improvements of onboard energy consumption, hydrodynamics, and operational practices. Moreover, eight of the Group's vessels utilise shore power during extended port stays, further reducing emissions.

Majority of the planned activities for achieving further emissions reductions involve technological solutions.

→ Short-term via continued implementation of energy efficiency projects and operational optimisations.
→ Medium-term via exploration of carbon capture technologies and potential offsetting solutions.
→ Long-term via transition towards sustainable fuel technologies and its advances in the industry.

The successful implementation of the activities outlined in the Group's GHG reduction strategic principles depends on both access to information and emerging technologies, as well as financial resources and feasibility testing. The Group's ship management and executive teams must have timely and comprehensive insights into viable solutions and technological developments to make informed decisions. At the same, adequate funding is required to pilot and assess the feasibility of new solutions onboard vessels before widespread implementation. As of Q1 2025, there is still no clear industry consensus on the future zero-emission fuel for shipping. Given this uncertainty, the most viable short-term strategy for emissions reduction remains improving the Group's vessels' energy efficiency through technological advancements. Consequently, the Group has adopted a pragmatic approach, setting realistic and achievable emissions reduction targets based on currently available solutions and technologies. These targets will be adjusted as greater clarity emerges regarding the future fuel landscape for shipping.

During 2024, AS Tallink Grupp invested EUR 0.8 million into climate change mitigation activities as part of its structured capital expenditure plan, covering various projects on different vessels. These investments align with the Group's sustainability strategy and further contribute to achieving set ambitions. Looking ahead to 2025 and beyond, within the short-term horizon, the Group has planned to further invest into its vessels. These include Heating, Ventilation, and Air Conditioning (HVAC) optimisation on Silja Symphony, as well as modernisation of Superfast IX machinery and hydrodynamics, among other projects. The impact of operational expenses is currently being assessed, and further details will be disclosed when more data becomes available. Additionally, the Group faces a potential risk of material adjustments to financial liabilities due to rising carbon allowance prices under the EU Emissions Trading System (EU ETS). The cost of compliance will depend on future EU ETS price developments and emissions levels, posing a financial risk to operating expenses.

To support its sustainability strategy, the Group has secured a sustainability-linked loan, with interest rates tied to ESG performance indicators such as CO_2 reduction targets. Non-compliance with ESG-linked financing conditions could result in higher interest expenses, impacting overall financial performance.

Energy Consumption and Emissions

General Accounting Principles

The Group's 2024 GHG emissions within Scopes 1-3 were calculated using the operational control principle, ensuring alignment with the consolidated financial and sustainability reporting boundaries and relevant actors in the value chain. The calculations were conducted on the external consultancy firm's climate impact platform, following the Greenhouse Gas Protocol standard and following ISO 14040 and 14044 guidelines, were verified by Bureau Veritas in accordance with the ISO 14064-1:2018 standard.

The GHG emissions considered include CO_2, CH_4, N_2O, HFC-s, PFC-s, SF_6, and NF_3, based on global warming potential (GWP) values from the IPCC 5th Assessment Report (AR5). To ensure consistency and comparability, AR5-based emission factors were used, aligning with established methodologies such as IMO Life Cycle Assessment (LCA) for maritime fuel emissions. However, for fugitive emissions in Scope 1, AR6 values were used, in accordance with the recommendation to apply the most up-to-date GWP values.

Emission factors used within Scopes 1-2 originate primarily from the Estonian National Greenhouse Gas Inventory model[5] and respective National Inventory Reports (NIR) of other countries. Where NIR factors were not applicable (i.e., Scope 3), emission factors from the Exiobase database[6] were used, complemented by scientific literature to ensure greater accuracy while maintaining consistency with AR5.

Shipping-related Scope 1 emissions are calculated strictly based on EU legislation, including the ETS Directive and the MRV Regulation. All emission factors are explicitly defined in these legal acts and are applied uniformly in accordance with the stipulated provisions. No alternative methodologies are used

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[5] https://kliimaministeerium.ee/rohereform-kliima/rohereform/organisatsioonide-khg-jalajalg#mudel

[6] https://www.exiobase.eu/

in calculating maritime emissions, ensuring full regulatory compliance and alignment with EU standards.

Biogenic Emissions

As the Group does not use biomass-based renewable energy in its operations, there are no biogenic emissions to report under Scope 1. While biogenic emissions may exist within Scopes 2 and 3, they are not calculated due to lack of publicly available data.

Changes in Scope 1 Calculations

CO_2 emissions from vessels are continuously monitored and reported to the Management Board. Progress and achievement toward reduction targets is measured by actual emissions reductions, determined by vessel fuel consumption. Up until 2023, under regulations at both the IMO and EU levels, only CO_2 emissions were required to be monitored and reported. However, from 2024 onward, the EU has expanded reporting requirements to include other GHG emissions, calculated a based on defined procedures and fuel mass consumption factors.

Emissions from Regulated Emission Trading Schemes

Starting January 1, 2024, European shipping industry is required to comply with the EU ETS Directive by purchasing EU Allowances (EUAs). Initially, only CO_2 emissions are covered under the EU ETS Directive. In the first year of implementation, 40% of the actual CO_2 emissions must be covered with EUAs and surrendered by September 2025. In the second phase, starting 2025, 70% of the actual CO_2 emissions produced by the fleet will need to be covered with EUAs. By 2026, 100% of the actual CO_2 emissions, along with other GHGs, will be included under the directive.

Contractual Instruments

The Group has not entered into direct contracts with energy providers for green or renewable energy. However, through its partners, such as ports and building owners, the Group utilises renewable or nuclear energy at certain operational locations. The energy used in these locations is documented with relevant records and factored into the Group's GHG emissions calculations accordingly.

Scope 3 Mapping and Limitations

Scope 3 calculations are based on a comprehensive mapping, encompassing all subsidiaries and activities performed by the Group. The categories considered in the 2024 Scope 3 analysis include upstream suppliers (both products and services), fuel and energy related (Scope 1-2) indirect impacts, employee commute, business trips, and generated waste. Downstream activities were also analysed, including transport, and the use and disposal of merchandise.

The Group has included the GHG emissions associated with the production and transportation of all products procured from upstream suppliers on a spend-based method. This encompasses materials and goods essential to operations, spare parts, groceries, inventory, and consumables. Similarly, emissions from services provided by upstream suppliers are incorporated. These include maintenance, consultancy, and other third-party services that support operations. Given the Group's nearly 4000 suppliers, a prioritisation approach was necessary. Suppliers were classified based on turnover during the reporting period. Suppliers with an annual turnover exceeding 100 000 EUR were included in Scope 3 GHG calculations, narrowing the scope to approximately 380 suppliers while covering over 80% of the volume.

The GHG emissions resulting from employee commutes to and from work are calculated and reported based on an average in the database for similar undertakings on the Baltic market. This analysis covers office-based personnel across various locations and considers different transportation modes, including personal vehicles, public transport, and Group-provided shuttles. Seafarers' commutes to and from ships are not currently included in the Scope 3 GHG calculations but are planned for inclusion in the future to expand coverage.

All business-related flights undertaken by employees are included in Scope 3 GHG calculations on a spend-based method. Other business travels, such as train journeys, car rentals, and other travel necessary for business purposes is not included in the Scope 3 analysis as this was considered not material. Calculations ensure that significant travel-related emissions are accurately captured and reported.

Emissions from waste generated by the Group are included in Scope 3 calculations on a consumption-based method. This encompasses operational waste, packaging waste, and other waste categories relevant to the Group's activities, including both ship-based and office-based operations. The calculations account for emissions from waste disposal methods such as recycling, incineration, and landfilling. Emissions related to fuel and energy that are not covered under Scopes 1 and 2 are also calculated on a consumption-based method.

Due to limitations in data availability, no emissions from scope 3 were calculated based on primary data and emissions in upstream transportation and distribution, downstream transportation, use and end-of-life treatment of sold products and investments categories have been excluded from reporting. Based on further developments on the market, these categories will be included in the calculations in the coming years as they are material to Tallink according to the initial Scope 3 mapping. Three categories in Scope 3 – upstream leased assets, processing of sold products, and franchises – were considered overall not material.

Gross scopes 1-3 and total GHG emissions

	2024
Scope 1	
Gross Scope 1 GHG emissions (tCO_2e)	422 115
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	67
Scope 2	
Gross location-based Scope 2 GHG emissions (tCO_2e)	21 721
Gross market-based Scope 2 GHG emissions (tCO_2e)	21 790
Scope 3	
Total Gross Scope 3 indirect GHG emissions (tCO_2e)	220 983
1) Purchased goods and services (tCO_2e)	120 324
2) Capital goods (tCO_2e)	2 004
3) Fuel and energy-related activities (not included in Scope 1 or Scope 2) (tCO_2e)	95 057
5) Waste generated in operations (tCO_2e)	1 836
6) Business travel (tCO_2e)	595
7) Employee commuting (tCO_2e)	1 167
Total GHG emissions (location-based) (tCO_2e)	**664 819**
Total GHG emissions (market-based) (tCO_2e)	**664 888**

In 2024, the Group set an ambition of a 2% reduction in Scope 1 and 2 emissions compared to the baseline value. The total Scope 1 and 2 emissions for the year amounted to 443 905 tCO_2e, reflecting a 4.7% increase compared to 2023. This increase was primarily driven by changes in the operational profile of certain vessels, as well as the return of Superfast IX from a long-term bareboat charter. Additionally, in 2023, several vessels underwent dry docking, temporarily reducing fleet-wide emissions, whereas in 2024, this factor had less impact on overall emissions.

In 2025, the Group continues to pursue and energy efficient improvements and enhance measurement capabilities for its vessels. For example, fuel meters have been introduced on vessels to improve the accuracy of fuel consumption measurements, enabling more precise data on fuel burned during trips and the associated emissions.

Energy consumption and mix

Energy consumption and mix	2024
Fuel consumption from coal and coal products (MWh)	-
Fuel consumption from crude oil and petroleum products (MWh)	1 149 363
Fuel consumption from natural gas (MWh)	366 244
Fuel consumption from other fossil sources (MWh)	22
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	51 340
Total fossil energy consumption (MWh)	**1 566 968**
Share of fossil fuels in total energy consumption (%)	**99.4**
Consumption from nuclear sources (MWh)	5 348
Share of consumption from nuclear sources in total energy consumption (%)	0.3
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	4 676
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	–
The consumption of self-generated non-fuel renewable energy (MWh)	–
Total renewable energy consumption (MWh)	**5 384**
Share of renewable sources in total energy consumption (%)	**0.5**
Total energy consumption (MWh)	**1 577 029**

AS Tallink Grupp operates in a high climate impact sector and discloses its GHG intensity per net revenue[7]:

GHG intensity per net revenue	2024
Total GHG emissions (location-based) per net revenue (tCO_2e/EUR)	846
Total GHG emissions (market-based) per net revenue (tCO_2e/EUR)	846

AS Tallink Grupp operates in a high climate impact sector and thus discloses its energy intensity per net revenue[7]:

Energy intensity per net revenue	2024
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/EUR)	2 007

[7] See more at: Financial Statements

Pollution

The double materiality assessment and engagement activities conducted with key stakeholders–including employees, business partners, investors, and suppliers–through surveys and interviews identified air pollution from the Group's shipping operations as the most significant pollution-related impact. This was assessed as material, with a high likelihood, particularly in the short- to medium-term.

Other pollution areas, such as water pollution, while potentially carrying high impact and risks, were not identified as material for AS Tallink Grupp. This assessment is based on the Group's comprehensive risk management practices, strict regulatory compliance at both global and local levels, and a strong track record of maintaining a zero-spill policy with no significant incidents. Additionally, the Group proactively implements measures that go beyond regulatory requirements to mitigate risks in this area. However, given that this topic remains important to stakeholders, is perceived among the public and the media to have high relevance for shipping companies and has historically been a key reporting area for the Group, AS Tallink Grupp will continue to disclose relevant policies, actions, and incident data related to water pollution. The availability of high-quality data ensures that transparency in this area is maintained.

Air Pollution

The primary policy governing air pollution from vessels is based on International Convention for the Prevention of Pollution from Ships (MARPOL). MARPOL consists of six annexes, each addressing different sources of pollution. In the context of the Group's activities, air pollution mainly stems from ships engines. The convention mandates specific provisions that must be followed to mitigate negative environmental impacts and prevent incidents. Compliance with MARPOL is mandatory for shipping companies, including the Group's own shipping operations.

AS Tallink Grupp has incorporated an Environmental Policy within its Safety Management System, implemented by the Group's Ship Management and signed by the CEO of the Board of the Group's subsidiary Ship Management. This policy is based on legal requirements and governs the Group's shipping operations. It established procedures and routines designed to prevent adverse environmental impacts and incidents. Any incident occurs is thoroughly analysed, and if necessary, policies and procedures are revised and modified accordingly.

Metrics and Targets

The Group has not yet set specific targets for reducing Nitrogen Oxides (NOx), Particulate Matter (PM), and Sulphur Oxides (SOx) emissions, but is currently preparing for data collection on said emissions to establish a baseline for reporting and future target setting. These emissions are regulated under MARPOL Annex VI[8], which sets limits on allowable emissions from ships. The Group's objective is to comply with all international, regional, and local requirements regarding air pollutant emissions. These emissions arise from the Group's shipping operations, with policies and targets governed by international regulations.

MARPOL Annex VI sets limits on the maximum Sulphur content in marine fuels. Special provisions for specific pollutants are determined based on a vessel's size, type, year of build, and operating area. According to the timeframes established under MARPOL Annex VI, the Baltic Sea has been subject to a maximum fuel Sulphur content of 0.1% since January 1, 2015.

Additionally, the EU regulations mandate that fuels used by ships operating between the EU/EEA ports must not exceed 0.1% Sulphur content, a requirement AS Tallink Grupp has fully adhered to since 2015.

[8] Marpol Annex VI and NTC 2008

The Group's emission reduction goals, operational compliance, and reporting framework are fully aligned with MARPOL Annex VI and other applicable regional regulations. Since MARPOL is an internationally recognised regulatory framework, it inherently integrates the expectations and requirements of multiple key stakeholders, including governments, scientific institutions, and regulatory bodies.

All the Group's vessels operate using compliant fuel; however, the actual Sulphur content may vary between fuel batches. As a result, total SOx emissions fluctuate depending on the specific Sulphur content of the bunkered fuel. The actual Sulphur content is documented in Bunker Delivery Notes and fuel specification. For the reporting year 2024, the total SOx emissions from the Group's fleet amounted to 154 027 kg. Since the fuel is the only source of Sulphur in the exhaust gases, SOx emissions are calculated based on the actual Sulphur content of each fuel batch used by the vessels.

AS Tallink Grupp complies with all legal and binding requirements applicable to its activities. The accepted methodology for presenting results depends on the specific regulatory requirements, which typically define the methodology to be used. NOx emissions are regulated globally under MARPOL Annex VI. However, unlike SOx emissions, NOx regulations apply based on a ship's age, meaning that newer, more stringent requirements are not applicable retrospectively. Despite this, the Group operates several vessels that comply with current NOx regulations, even though they were built in the early 2000s and would otherwise fall outside the scope of these stricter requirements. This demonstrates the Group's strong commitment to environmental protection and its proactive approach to minimise its impact on local communities. Given that most of the ports visited by the Group's vessels are in city centres, the Group recognises the importance of reducing emissions wherever possible to support cleaner air and a healthier urban environment.

NOx emissions for a specific engine are defined in the engine type approval documentation. The actual NOx emissions and PM emissions can be measured directly through flue gas measurements, conducted individually for each vessel. For ships that comply with MARPOL requirements, the Group fully relies on the engine manufacturer's certification as the basis for compliance. However, for vessels that perform better than the regulatory requirements due to installed technical enhancements, the Group conducts NOx and PM measurements every three years to verify and document their improved environmental performance. The most resent measurements were conducted in May 2024 on Baltic Princess, with the results aligning with expected performance levels. Galaxy I measurements were postponed due to the ship's operation as an accommodation vessel in the Netherlands. Described measurements require predefined load on ship's engines providing which is not possible under current conditions. Measurements are performed as soon as possible. As proof of compliance with NOx requirements, Flag Administration or a Recognized Organization acting on its behalf issues International Air Pollution Prevention Certificate (IAPPC) to all ships. This certificate is an integral part of each vessel's mandatory documentation.

Actions

Since 2019, AS Tallink Grupp has installed High Voltage Shore Connection (HVSC) equipment on most of its vessels to further reduce port emissions and noise pollution. Between 2019 and 2024, all of the Group's passenger vessels were fitted with HVSC reception equipment. As a result, emissions from HVSC-equipped ships have been reduced by 3% per vessel in absolute terms.

In addition to HVSC, the Group has taken several technological measures to minimise air emissions. Some of the Group's vessels have been equipped with Catalytic Converters, which effectively reduce NOx emissions. The Group is also working closely with technology partners to explore and implement solutions for reducing methane slip from LNG-operated vessels. To verify performance, NOx and PM measurements are regularly conducted on ships fitted with this technology. Measurement results indicate low NOx emissions, remaining below the strictest Tier III limits applicable to ships built after 2019 in the Baltic Sea, while PM emissions are measured at less than 0.1 g/kWh.

All vessels follow a structured maintenance program, ensuring that predefined recurring activities are performed regularly to prevent failures, incidents, operational and financial risks. These measures help maintain safety and optimal vessel condition, with all maintenance activities budgeted per vessel. To mitigate unforeseen risks, all vessels are fully insured in compliance with maritime regulations, and insurance costs are allocated per ship. Beyond routine maintenance, the Group continually invests in new technologies to ensure regulatory compliance and operational efficiency improvements.

The Group is continuously working with both existing and potential fuel partners to identify the optimal fuel mix and future fuel options. These efforts also involve assessing the technological modifications and advancements required to facilitate the transition toward more sustainable and less polluting fuels.

One of the key initiatives is the Green Corridor, launched in collaboration with the cities of Tallinn and Helsinki and their respective local authorities, the Ports of Tallinn and Helsinki, and the shipping companies operating on this route. The scope of projects under this initiative is currently being defined for 2025 but will include measures to enhance air quality in and around the Baltic Sea and the two Nordic capitals. Key focus areas include the increased use of shore power in ports and the development of smart-port technologies to reduce waiting times in port areas, thereby minimising air pollution in and around these waiting zones. The Group also collaborates with universities to explore operational efficiency solutions, such as the Smart Car Deck initiative, which extends the benefits of Smart Port technologies to car decks on vessels by improving the efficiency of vehicle loading The Group remains committed to partnering with scientists and engineers to develop innovative solutions that further reduce pollution and enhance sustainability.

Additionally, the Group is working with start-ups to identify and pilot innovative solutions on board its vessels. These include emerging technologies such as carbon capture systems, which have the potential to significantly reduce CO_2 emissions from ships.

Water Pollution

AS Tallink Grupp has implemented a zero-spill policy, prohibiting any discharges into the sea. The policy fully complies with the International Maritime Organization's MARPOL Convention regulations as well as other IMO anti-pollution policies. It applies to the Group's entire shipping operations and reflects a firm commitment to environmental protection.

The MARPOL Convention regulates multiple sources of ship-generated pollution, underscoring both the IMO's and the shipping industry's dedication towards protecting the environment. All vessels flagged under any MARPOL signatory nation must adhere to its requirements, regardless of their operating area. Member states are also responsible for ensuring compliance among ships registered under their jurisdiction. While the primary responsibility for MARPOL compliance lies with each vessel, the ship's technical manager or International Safety Management (ISM) Group provides procedures and operational routines that vessels must implement under the ISM Code. The ISM Code establishes an international standard for the safe management and operation of ships, with a particular focus on pollution prevention. A key element of the ISM Code is the development and implementation of a safety policy that clearly defines the Group's commitment to safety and environmental protection. This includes a strict zero-tolerance approach to any form of pollution — whether accidental or intentional.

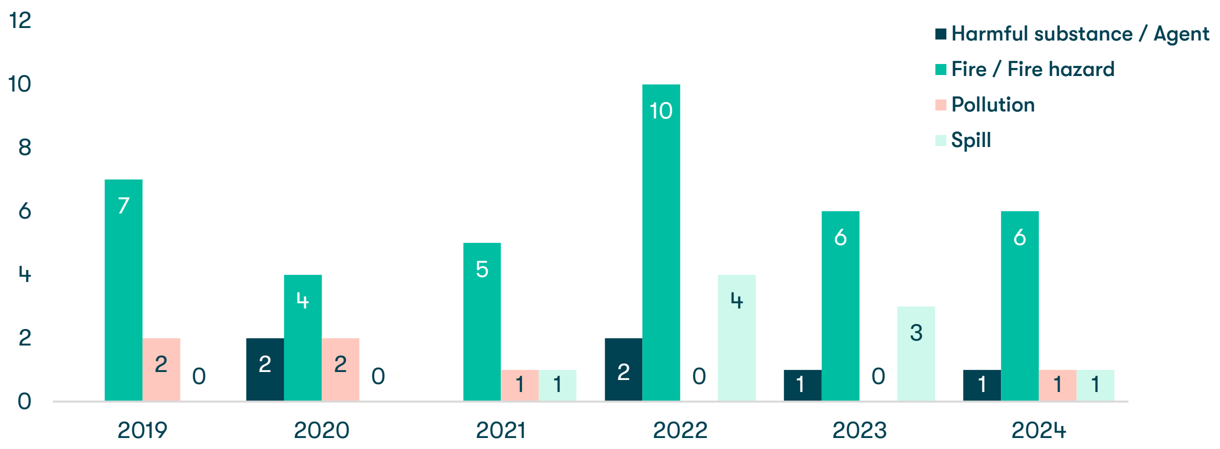
Actions and Incidents

All wastewater from the Group's vessels is discharged exclusively in ports into the onshore sewage system, with no exceptions. The volume of wastewater discharged is recorded and monitored for each vessel to track trends and detect any unexpected deviations. This monitoring process enables the Group to identify potential issues at an early stage. In the event of an incident, all occurrences are documented and reported in accordance with the Group's procedures.

Environmental incidents are categorised into four major groups: Pollution, Harmful Substance/Agent, Fire/Fire Hazard, and Spill. All incidents are thoroughly recorded and analysed by Ship Management to identify possible mitigation measures and areas for improvement. The Group follows a case-by-case approach, tailored to the specific pollutant type, ensuring that each pollution source is monitored using the most accurate and relevant methods.

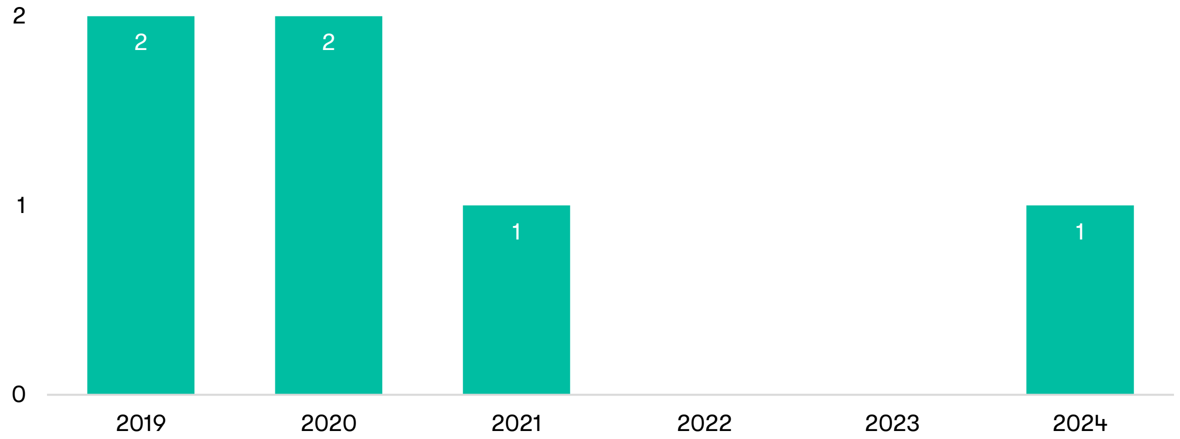
During 2024, nine environmental incidents were reported across the Group's fleet. While the number of such incidents has fluctuated slightly, they have generally remained minor in nature.

Environment related incidents 2019-2024:



The Group continuously monitors pollution incidents, collects relevant data, and reports on any occurrences. In 2024, AS Tallink Grupp has not experienced any significant pollution incidents that resulted in notable financial costs.

The number of pollution incidents recorded in 2019-2024:



In 2024, one pollution incident occurred, involving the unintentional discharge of oil-containing water overboard in a port area. This was a relatively minor incident, with a limited amount of oil released. The situation was immediately resolved by the ship's crew, ensuring that any potential environmental impact was minimised. The port authorities were informed promptly, and a representative oversaw the crew's response efforts. Following the incident, no condemnations or penalties were issued by the authorities, confirming that the situation was handled appropriately and in compliance with regulatory expectations.

As a standard practice, any potential sanctions related to pollution incidents are imposed by the relevant authorities at the time of occurrence. The ship's captain holds the primary responsibility for vessel operations and is therefore the first to face any imposed sanctions. Depending on the circumstances and severity of the incident, additional sanctions may be applied to the Group.

Cooperation with Non-Profits to Fight Against Water Pollution and Protecting the Baltic Sea

For more than a decade, the Group has been actively collaborating with a Finnish non-profit organisation John Nurminen Foundation to support research and development projects aimed at protecting the Baltic Sea. The Group makes an annual donation to the foundation, funded by proceeds from the sale of the Group's Captain's Chocolates. These funds are used for Baltic Sea biodiversity conservation and anti-pollution initiatives. The John Nurminen Foundation also runs projects specifically aimed at combating biodiversity loss, such as the seagrass project, for which they are currently assessing whether replanting seagrass along the Estonian coast could be a future initiative. In addition to financial support, the Group works alongside the John Nurminen Foundation to run awareness-raising campaigns, primarily in its core markets of Estonia, Finland, and Sweden. These efforts further reinforce the Group's commitment to marine protection and sustainability. The Group decided to extend this cooperation in 2025.

In 2024, AS Tallink Grupp contributed to the following actions and results highlighted by the John Nurminen Foundation[9]:

- **Manure Recycling:** Transferred manure containing 10 tonnes of phosphorus from livestock farms to crop cultivation areas, reducing nutrient runoff into the Baltic Sea.
- **Gypsum Treatment:** Treated 100 hectares of fields in the Åland Islands with gypsum, effectively reducing erosion and phosphorus leaching into water bodies.
- **Reed Meadow Mowing:** Mowed 180 hectares of common reeds in Finland, the Åland Islands, and Sweden, removing 1 350 kg of phosphorus and 13 500 kg of nitrogen. The harvested reed material was supplied to companies in the substrate sector for further processing.
- **Eelgrass Meadow Restoration:** Planted common eelgrass meadows in three locations in collaboration with Metsähallitus's Parks & Wildlife Finland unit, contributing to the combat against biodiversity loss in the Baltic Sea.
- **Baltic Sea Day:** Celebrated in over 40 cities across Finland, as well as in Sweden, Estonia, Denmark, Germany, Poland, Latvia, and Lithuania. The event garnered significant media attention, featuring on all Finnish TV channels and in 225 news articles, and was widely shared on social media., helping to spread awareness among employees and partners.
- **Policy Engagement:** Hosted events and meetings for policymakers and influencers to discuss political, ecological, and cultural perspectives on the Baltic Sea. The foundation also contributed to the development of a cultural heritage strategy and plans to promote Baltic Sea issues in upcoming municipal, national, and EU decision-making processes.
- **International Collaboration:** Participated in the Baltic Marine Environment Protection Commission (HELCOM), advocating for limits on the discharge of eutrophicating nutrients and harmful chemicals into the marine environment. The foundation aims to expand its international network, particularly in cultural initiatives, throughout 2025.

[9] More information on John Nurminen Foundation can be found here: https://johnnurmisensaatio.fi/en/our-work

Social

Our Colleagues

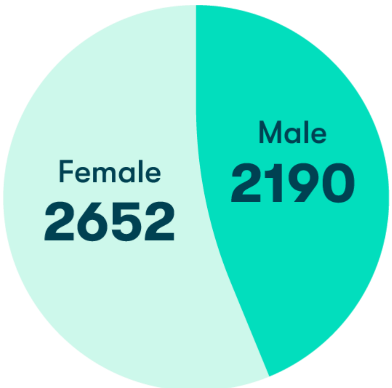
AS Tallink Grupp is a leading employer in the Baltic Sea region, with nearly 5 000 employees across six countries. It is one of the largest employers in its home market of Estonia and plays a significant role as an employer in Finland and Sweden.

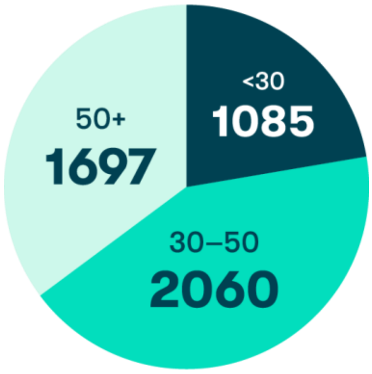
Characteristics

The following section outlines the key characteristics relevant to the Group's workforce, providing insight into the overall structure and dynamics of AS Tallink Grupp. All discussed metrics consistently use the headcount method for employee numbers, unless stated otherwise.

As of 31 December 2024, AS Tallink Grupp employed 4 842 people, excluding members of the Management Board as wage-earning employees. The workforce is diverse in experience and demographics, with distribution across countries, gender, and age groups.

The following illustrations provide a breakdown of these key characteristics:





The following tables provide a breakdown of employee headcount by contract type, categorised by gender and location. This data offers insight into the structure of employment agreements across the Group, reflecting workforce distribution and contractual arrangements.

The Group's employee head count by contract type, broken down by gender as of 31 December 2024:

	Female	Male	Other	Not disclosed	Total
Number of employees	2 652	2 190	0	0	4 842
Number of permanent employees	2 450	1 998	0	0	4 448
Number of temporary employees	202	192	0	0	394
Number of non-guaranteed employees	0	0	0	0	0

The Group's employee head count by contract type, broken down by region as of 31 December 2024:

	Estonia	Finland	Sweden	Latvia	Lithuania	Other	Total
Number of employees	3 000	953	497	291	94	7	4 842
Number of permanent employees	2 911	767	395	274	94	7	4 448
Number of temporary employees	89	186	102	17	0	0	394
Number of non-guaranteed employees	0	0	0	0	0	0	0

The Group's top management consists of 24 employees, evenly distributed by gender, with 12 male and 12 female executives. The Group defines its Top Management as consisting of the Group Leadership Team and Country Leadership Teams. This includes key roles such as Chief Financial Officer, Head of Duty Free, Head of Food & Beverage, Heads of Country HRs, Heads of Country Sales and Marketing, Deputy CEOs, and other senior executives responsible for strategic and operational leadership across the organisation.

In 2024, the Group had a total of 4 842 employees at the end of the reporting period, with 946 employees leaving during the year. Based on this, the estimated employee turnover rate for the year was 18%. The employee turnover rate is calculated by dividing the total number of employees who left during the reporting period by the average number of employees for the year and by multiplying the result by 100 to express it as a percentage. This calculation accounts for both voluntary and involuntary departures and provides insight into workforce stability and retention trends. While turnover rates can be influenced by various factors, such as industry trends and company restructuring, the Group continues to assess workforce dynamics to ensure talent retention and operational efficiency. To gain further insights into the reasons behind employee departures, exit interviews are conducted with all departing employees, helping to identify key trends and areas for improvement. Future evaluations may focus on analysing exit interview data to address turnover drivers and implement strategies that enhance employee engagement and long-term workforce stability.

Policy

The Group's Human Rights Policy, which addresses critical workforce-related issues and applies to all individuals impacted by its operations, including employees, customers, supply chain partners, and the communities the Group operates in. The policy was initially adopted in early 2024 and later revised and updated, with the final version approved and adopted in October 2024. The updated Human Rights Policy is now accessible to employees via the Group's Intranet and available to the wider value chain on the Group's external website. The Management Board Member responsible for the Group's legal department, oversees the implementation of the policy, ensuring compliance and alignment with corporate governance standards.

The Human Rights Policy is implemented through the Supplier Code of Conduct and the Employee Code of Conduct, ensuring comprehensive coverage of both the Group's own operations, including the full consolidated Group and all activities, as well as suppliers within the value chain. Furthermore, the policy is reinforced through the Group's training principles and organisational working arrangement rules, which include regulations on working hours and rest periods, as well as occupational health and safety standards. These measures strengthen the Group's commitment to upholding the highest human rights standards across all operations. This integrated approach underscores the Group's dedication to fostering a responsible and ethical workplace, ensuring compliance with both internal policies and broader international human frameworks.

Extract from the Group's Human Rights Policy[10] Statement:

We respect the fundamental labour rights of our employees, ensuring that their working conditions meet or exceed applicable national and international standards. The policy is guided by the International Bill of Human Rights, the European Social Charter, and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. This includes:

- Freedom of Association and Collective Bargaining: We respect the right of all employees to join trade unions or labour organizations and to engage in collective bargaining.
- Prohibition of Forced Labor and Child Labor: All employment within Tallink Grupp is voluntary and based on free choice. We strictly prohibit forced, bonded, or child labour in any form.
- Non-Discrimination in Employment: We are committed to promoting diversity and inclusion, providing equal opportunities for employment and advancement to all individuals, regardless of race, gender, nationality, disability, or any other characteristic.
- Occupational Safety and Health: We maintain a safe and healthy working environment, with comprehensive risk assessments to identify and mitigate workplace hazards.

In accordance with our Human Rights Policy, we respect the fundamental labour rights of our employees, including non-Discrimination in Employment. We are committed to promoting diversity and inclusion, providing equal opportunities for employment and advancement to all individuals, regardless of race, gender, nationality, disability, or any other characteristic.

The Group has no specific policy commitments related to and does not address separately inclusion and (or) positive action for people from groups at particular risk of vulnerability in own workforce.

The Group regularly trains its employees on human rights issues and, in partnership with regional NGOs and authorities, educates its staff on diversity, equality and human rights topics. The Group focused strongly on staff training and well-being: Occupational Maritime (including Basic Safety, Security Awareness, Crowd & Crisis Management, Marine Evacuation, Medical First Aid etc; Other occupational (Products, Occupational Health & Safety, Food Hygiene, etc), Customer Service (including Service Standards, Guest Experience, etc), Leadership, Occupational Health and Safety Management.

Collective Agreements

Over 80% of the Group's employees are covered by collective agreements, which are regularly reviewed and negotiated with partner unions in all key operating markets. Due to legal restrictions on requesting information from employees regarding their union membership and participation in collective agreements, the Group is unable to provide fully accurate data on employee union affiliations. The data available on employees' union memberships is limited to those who have voluntarily disclosed this information to the Group.

Health and Safety

The Group has a strict Health and Safety (H&S) policy and procedures in place, ensuring continuous risk management of all H&S systems and process. The policy includes a structured improvement loop, where any near-misses or incidents are thoroughly analysed, and necessary enhancements are

[10] AS Tallink Grupp's Human Rights Policy

implemented to further strengthen workplace safety. This proactive approach ensures a safe and compliant working environment across all operations.

The Group defines a work-related injury as any injury to an employee's health or an employee's death that occurs while performing work assigned by the employer, other work performed with the employer's permission, during a break included in working hours, or while carrying out any activity in the interests of the employer. Definitions and reporting standards for occupational injuries may vary across the markets where the Group operates. Variations include whether an injury is classified as work-related when sustained while performing a work-related task on duty or off duty but on the employer's premises. Additionally, different jurisdictions may have varying criteria on whether injuries sustained while commuting to work are considered occupational injuries. The Group ensures compliance with local regulations and reporting standards while maintaining a consistent internal framework for tracking and addressing workplace injuries.

The Group's target is to maintain the Lost Time Injury Frequency Rate (LTIFR) at or below 13.3 per annum. For 2024, the LTIFR was 9.2, well below the target. The LTIFR for a calendar year is calculated using the following formula:

$$LTIFR = \frac{Number\ of\ Lost\ Time\ Injuries\ \times 1{,}000{,}000}{Total\ Hours\ Worked}$$

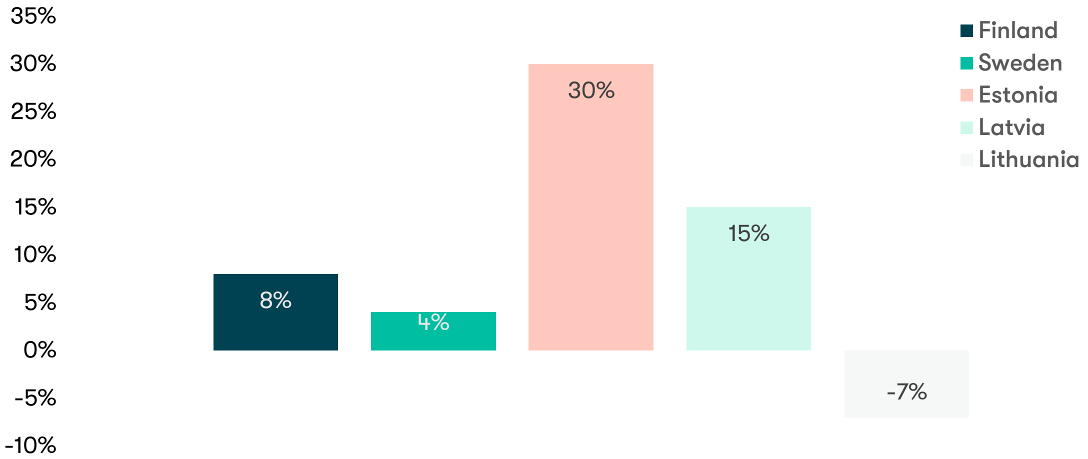
	2024	Target
Employees covered by Health Management System (HMS)	4 842	All employees
Number of work-related fatalities	0	0
Number of work-related accidents	74	0
Rate of work-related accidents (LTIFR)	9.2	13.3

Remuneration

All employees receive fair and competitive wages that align with applicable local market benchmarks, ensuring equitable compensation for their contributions. The Group adheres to international and national wage standards, including Directive (EU) 2022/2041 on adequate minimum wages within the EEA. Certain positions within the Group are covered by collective bargaining agreements, which ensure that wages meet or exceed the standards required to provide a fair and adequate level of compensation. To ensure alignment with market standards, the Group conducts annual country-specific benchmarking research, assessing minimum, average and median wages based on roles and seniority levels. This wage mapping process, managed by the Group's HR teams, ensures that fair and adequate remuneration practices are maintained across all operating markets, fostering a motivated and engaged workforce essential long-term success.

The Group assessed the gender pay gap for 2024 in accordance with the guidelines set by ESRS. The gender pay gap is primarily influenced by occupational distribution within the maritime industry. This is largely due to educational qualification requirements, as well as the fact that technical roles onboard ships command higher wages in the labour market. As a result, the structural characteristic of the industry impacts the overall gender pay gap, with women being more commonly represented in onshore administrative and support functions, which typically offer lower salary levels. Additionally, geographical distribution affects overall pay disparities, as wage levels vary across different regions. The gender pay gap is further influenced by the concentration of male and female employees in specific geographical locations, where local salary benchmarks differ. However, within specific job families, salaries remain equal regardless of gender. For example, in the service area of the Tallinn maritime organisation, the gender wage gap is only 6%, demonstrating that roles within the same job category are compensated equitably.

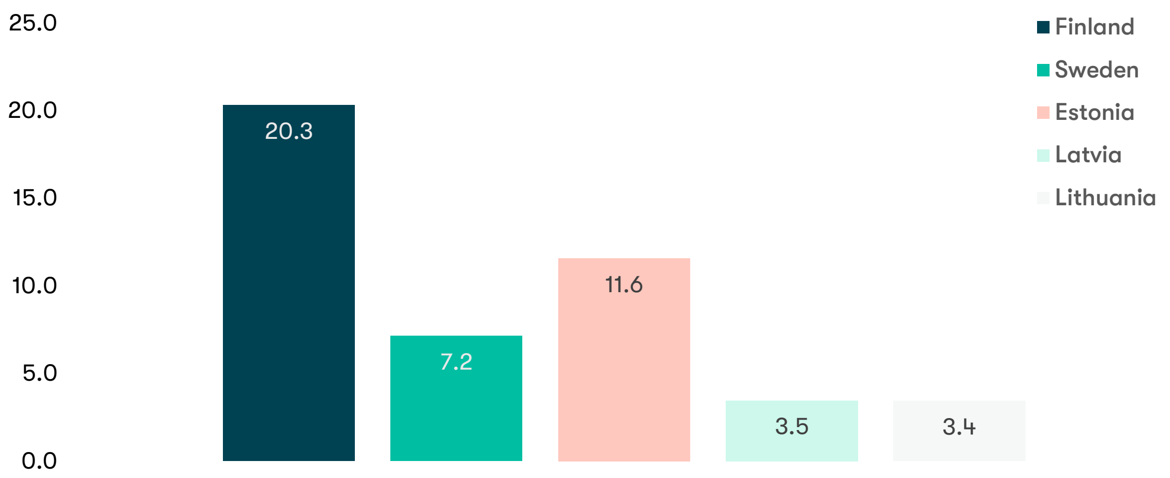
Gender pay gap across regions 2024:



The Group is committed to reducing the gender pay gap and ensuring fair remuneration practices across all roles. While operational and technical roles onboard ships are currently male-dominated due to prevailing industry specifics, the Group actively promotes diversity and inclusion in recruitment and career development. Transparent salary bands help establish clear and comparable pay ranges, minimising unjustified disparities. Career development and promotion programs are designed to increase female representation in higher-paying roles where possible. To support work-life balance, the Group also offers flexible working arrangements and family-friendly benefits, fostering equal career progression opportunities for all employees. The Group will continue to monitor and analyse the gender pay gap to drive continuous improvements and uphold fair and equitable compensation practices.

While the gender pay gap highlights differences in earnings between male and female employees, the general pay ratio provides a broader perspective on overall pay distribution by comparing the highest-paid individual to the median remuneration within the Group. This ratio offers insights into internal pay equity and how compensation structures align across different levels of the Group. To ensure comparability in general pay ratio calculations, annual hourly remuneration approach has been applied.

General pay ratio across regions 2024:



The Group recognises that quantitative data, such as the general pay ratio, may not fully explain differences in remuneration across various roles and geographies. Factors influencing remuneration levels within the Group are similar to those for gender pay gap. As a maritime transport Group, the nature of technical roles onboard ships requires specialised skills, which influences pay levels for those positions. Additionally, the Group's operational scale, including revenues and organisational structures, and variations in pay scales across countries, impacts overall remuneration structures. Furthermore, extraordinary compensations such as layoffs, subsidies, or other one-time payments may distort the quantitative data.

Equality

As a multinational Group, the Group places a high value on diversity and maintains a zero-tolerance policy toward discrimination in any form. The Group actively promotes awareness and education on human rights, regularly training employees on these issues. In collaboration with regional NGOs and authorities, the Group also provides educational programs on diversity, equality, and human rights to further strengthen an inclusive workplace culture.

The Human Rights Policy[4] and Employee Code of Conduct outline the Group's commitment to equal treatment and non-discrimination. To reinforce this, the Group aims to ensure that by 2025, 100% of permanent employees by the end of their probation period have completed Human Rights training and are fully familiar with the Group's Human Rights Policy.

During the reporting period, the Group has not identified any cases of human rights violations, formal complaints, or serious adverse impacts related to human rights involving its workforce. No grievances, investigations, or legal actions have been recorded, and no remediation plans have been required or implemented. Furthermore, the number of complaints filed to National Contact Points for OECD Multinational Enterprises was zero (0). Likewise, the number of fines, penalties, or compensation for damages resulting from incidents of discrimination, including harassment and complaints filed was zero (0).

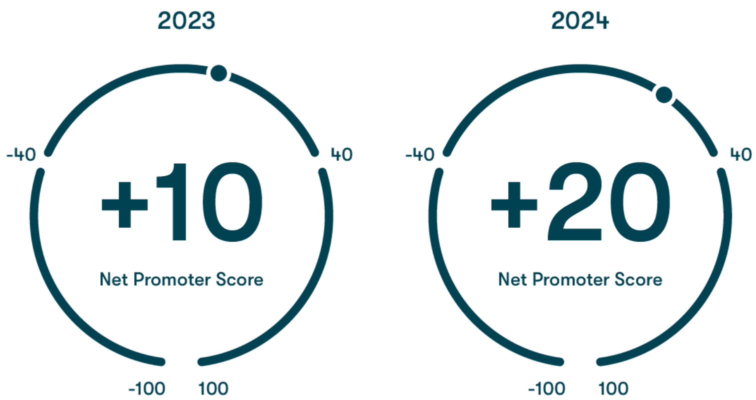
Engagement

The Group actively engages employees and their representatives in health and safety matters in accordance with DGD0001079 OHS Management System, which outlines responsibilities occupational health and safety. Seafarers utilise Form DCD0000477 – Proposal for Improvement and On-Board Complaints, ensuring concerns and suggestions are documented and addressed. Input gathered from engagement activities is actively considered, with communication channels open both directly with employees and via employee representatives. Meetings with employee representatives, including unions, occur monthly, either in face-to-face sessions or via Teams meetings. The Group HR Director holds primary responsibility for these engagements, with ultimate accountability resting with the Group CEO. All suggestions are thoroughly analysed and considered in decision-making, ensuring that employees feel valued and that their voices contribute meaningfully to the Group's direction.

On occupational health and safety (OHS) topics, employees first submit proposals to their managers, who then consult with the Occupational Health (OH) specialist. If necessary, the matter is escalated to the Occupational Environment Council, where potential implementation measures are discussed. Employees are involved even before decisions are made, and the engagement is consultative, taking place through emails, meetings, and direct discussions to identify the most practical and effective solutions. The Group provides compensation to employees in cases of work accidents or occupational diseases, in accordance with applicable legislation, including coverage for additional expenses, such as rehabilitation treatments when required.

Furthermore, the Group collects employee feedback through an Employee Net Promoter Score (NPS) surveys (at least twice a year), direct one-on-one meetings, and performance discussions, held either annually or every six months. Employee trust and willingness to provide anonymous feedback are gradually increasing, as reflected in growing survey response rates. Compared to initial survey waves, participation has shown an upward trend, with recent surveys indicating that approximately half of all employees took part. Internal audits further validate engagement effectiveness, with the absence of non-conformities in system implementation confirming successful employee involvement.

Employee net promoter score across all markets and operations 2023-2024:



Employees have multiple channels to raise concerns directly with the Group, including IdeaShare, available on the Group's internal website, where employees can submit feedback. Seafarers continue to use Form DCD0000477 for OHS-related concerns, while employees can also submit proposals via email. The Group maintains grievance and complaint-handling mechanisms to ensure all concerns are properly addressed. The HR department and the Group's intranet serve as the primary communication platforms, ensuring that processes and policies are clearly communicated and accessible. The Group actively tracks and monitors raised issues, involving relevant stakeholders to enhance effectiveness and better understand employee concerns.

An improvement loop is in place: after feedback surveys, results are reviewed, and each department outlines specific actions to drive accountability and continuous improvement. Quarterly onboard OHS meetings discuss, record, and review health and safety proposals, with minutes from previous meetings revisited to track progress. During internal audits, direct conversations with employees assess awareness of communication channels and the effectiveness of issue resolution.

As outlined in the Group's Human Rights Policy (Section 6), the Group provides a confidential and anonymous whistleblowing system, allowing employees, customers, and stakeholders to report human rights violations or concerns without fear of retaliation. All reports are thoroughly investigated, and appropriate actions are taken to resolve identified issues.

Workers in the Value Chain

Human Rights

The double materiality assessment identified one material impact area concerning workers in the value chain from the Group's perspective: the human rights of workers in the value chain. This IRO is addressed in the topical standard G1 IROs in the Governance chapter, with a specific focus on supplier relations, as detailed on pages 118-123.

Consumers and End-Users

AS Tallink Grupp transports over 5 million passengers per year on all its routes, accommodates thousands of customers in its hotels and additionally serves thousands of customers across its markets with its products and services. At all times, the safety and security of those customers is one of the top priorities for the Group across all its operations and services.

Health and Safety

The Group regularly collects customer feedback at different stages of the customer journey — pre-trip, post-trip, and between trips — through various channels, including feedback surveys (after-trip or after-booking), online forms, and traditional service channels (email and phone). This feedback is systematically analysed to identify trends, insights, and areas for improvement. By applying both qualitative and quantitative methods, the Group evaluates customer experiences and preferences, using the results to inform decision-making and drive continuous enhancement of products and services, ultimately improving customer satisfaction and loyalty.

The safety and security of people, the environment, and property remain the highest priority in the Group's operations. The Safety Management System (SMS) is continuously updated and maintained at all levels of the Group's maritime operations. The SMS is fully compliant with the International Safety Management (ISM) and International Ship Port Facility Security (ISPS) Code, and the ISO 14001:2015 standard for the Environmental Management Systems.

The routines and procedures developed within the SMS provide a strong foundation for preventing any accidents, loss of life, and minimising the environment impact of both vessels and shore operations. The Group's SMS undergoes regular audits by various flag state authorities, including the Estonian, Finnish, Latvian, and Swedish Maritime Administrations, or recognised organisations authorised by these administrations. Additionally, the Group's ISO 14001 Environmental Management System is audited by the certification body LRQA.

The Group ensures that its SMS remains fully compliant with all applicable regulations issued by regulators and authorities (i.e., International Maritime Organization, European Union, maritime authorities of the flag states, certification bodies, and other relevant organisations). The Group is committed to identifying, strictly adhering to, and promptly implementing all applicable regulations, and, where possible, exceeding compliance requirements.

Ship Masters hold full responsibility for safety and security on board, while the Group's onshore organisation provides comprehensive support to all vessels, irrespective of their flag state.

The Group's SMS is designed, maintained, and continuously improved to ensure the safety of its vessels, crew, and passengers. Training the crew, developing their skills, and strengthening their safety and security knowledge is an ongoing priority that is taken very seriously. Crew skills and knowledge are regularly tested and improved through various drills and exercises, conducted on a routine basis. Where applicable, these drills are carried out in cooperation with relevant local authorities to ensure compliance with the highest safety standards. The competencies required for safe operations are developed in alignment with international standards, following a comprehensive risk assessment process that identifies all potential hazards. The Group implements the necessary measures to mitigate and manage risks and ensures environmental and safety awareness among its crews.

All the Group's vessels are equipped with adequate lifesaving equipment that complies with applicable safety regulations. This equipment is regularly tested to ensure it is fully operational and ready for immediate use in case of an emergency. However, the Group's comprehensive nautical expertise, and good seamanship practices, and robust safety and security organisation serve to prevent situations where lifesaving equipment would be required, reinforcing its commitment to proactive risk management and accident prevention.

The Group remains committed to investing in regular safety training for its crew and employees. The Group operates its own training facility, Tallink Training Centre, which delivers regular safety and security courses. In 2024, a total of 1 173 courses were conducted in key areas such as crowd management, fire simulation, basic safety training, customer experience, and other specialised courses. The Training Centre has now been licenced to provide trainings for its Finnish crew members, eliminating the need for external training providers. Furthermore, the total training hours completed by employees in 2024 amounted to 58 459 hours, with 24 383 hours completed by male employees and 34 076 hours by female employees. Looking ahead, the Group plans to extend its safety training programs in 2025 and beyond.

In addition to internal training, the Group collaborates with voluntary rescue organisations, including Tallinn Search and Rescue for maritime safety training and equipment, and Finland Search and Rescue for maritime safety training for children.

The Group proactively prevents safety and security incidents that could lead to extensive losses — including human lives, economic, and property damage — through preventive measures and safety and security procedures. All safety and security incidents are systematically recorded and managed through the Group's incident management and reporting systems and are escalated to senior management for review and action. The baseline for extensive loss incidents is set at 0, with the voluntary target of maintaining this level at zero (0) annually. In both 2023 and 2024, the number of extensive loss incidents was zero (0).

Privacy

In addition to customer health and safety, the second material IRO for the Group from the customer perspective is the protection of and the risks associated with handling customer data. The collection, use, and management of customer data has been and will continue to be a top priority for the Group. Alongside its overall safety management efforts, the Group remains committed to ensuring that customer data is handled securely and in strict compliance with all current and future regulations and laws.

The Group has implemented a Privacy Policy[11], which outlines the principles of processing personal data of customers and other data subjects. Customer satisfaction remains the Group's highest priority, and the appropriate processing of personal data plays a crucial role in delivering efficient and accurate customer service. By adhering to the principles set out in this Privacy Policy and applicable laws, the Group ensures that personal data processing supports contractual relationships, legal obligations, and the best interests of its customers. However, this Privacy Policy does not apply to the processing of anonymous information or data related to legal entities.

To ensure personal data protection, the Group has designated a Data Protection Officer (DPO) with expert knowledge of data protection laws and best practices. The DPO ensures compliance with personal data protection regulations and serves as the primary contact for data subjects regarding requests, inquiries, and the exercise of their rights related to personal data processing. The DPO plays a key role in assisting the Group in maintaining and improving data protection compliance, ensuring that all personal data is handled responsibly and securely.

The key activities in data protection include GDPR compliance and data incident monitoring, with incident analysis and procedural improvements implemented as necessary. The Group continuously upgrades IT systems to ensure compliance with data protection rules and regulations and reports any data protection issues to the Management Board. In 2024, the Group invested EUR 0.4 million in IT security and data protection enhancements to further strengthen compliance and safeguard sensitive information. Collaboration with regulatory authorities in the Group's home markets and active networking with national data protection experts help the Group stay updated on evolving legal and regulatory requirements. The ultimate responsibility for data protection lies with the Group's CEO. The Group's Privacy Policy ensures full coverage of customer data protection rights and compliance with all applicable regulations. The Group continuously monitors developments in data protection laws to maintain internal policies and procedures that guarantee short-, medium-, and long-term compliance.

The Group's goal, as set by the Management Board, is to prevent any safety and security incidents that could lead to extensive losses, including those affecting human lives, financial stability, reputation, or data security. This objective is achieved through preventive actions and effective safety and security procedures, including data protection measures and advanced IT solutions to mitigate risks.

Engagement

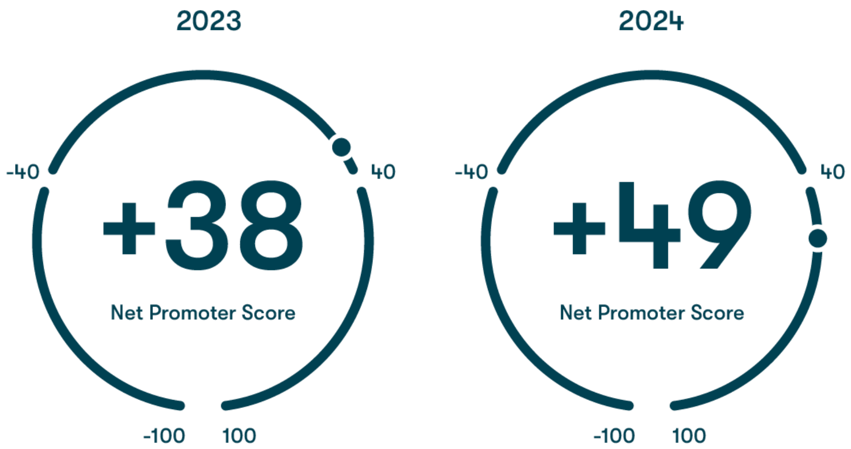
Customer engagement is the responsibility of the Group Head of HR and Customer Experience, with ultimate accountability resting with the Management Board Member overseeing customer service operations. The Group regularly collects customer feedback at different stages of the customer journey — pre-trip, post-trip, and between trips — through various channels, including feedback surveys (after-trip or after-booking), online forms, and traditional service channels (email and phone). This feedback is systematically analysed to identify trends, insights, and areas for improvement. By applying both qualitative and quantitative methods, the Group evaluates customer experiences and preferences, using the results to inform decision-making and drive continuous enhancement of products and services, ultimately improving customer satisfaction and loyalty.

The Customer Net Promoter Score (NPS) is a key metric for measuring customer satisfaction and loyalty. It assesses how likely customers are to recommend the Group's services based on their experiences. The 2024 results directly reflect the positive impact of the Group's actions, initiatives and

[11] See more at: https://www.tallink.com/privacy-policy

engagement efforts. This score serves as a measure of how effectively the Group is implementing a customer-centric approach and delivering value that resonates with its customers.

Customer net promoter score across all markets and operations 2023-2024:



A structured improvement loop is in place to ensure ongoing enhancements in customer service. Customer surveys are conducted daily, as they are sent to customers after each trip. The results are then analysed, and specific improvement actions are outlined by relevant departments. This structured approach enhances accountability and fosters continuous improvement in customer loyalty and service quality. The Group engages directly with affected consumers, end-users, or their legitimate representatives to ensure responsiveness to their needs.

The Group is committed to addressing customer concerns transparently, ensuring that customers have access to appropriate legal remedies in cases of negative impact. In cases where issues arise, such as booking information being accidentally passed to the wrong customer, the Group follows a structured process that includes a thorough assessment of impacts, engagement with affected stakeholders, and the implementation of corrective measures. To ensure that customers have access to legal remedies, the Group provides clear escalation procedures, ensuring that customers can seek resolution through formal complaints processes. If a customer has suffered a significant negative impact due to a service-related incident or a violation of human rights, the Group facilitates appropriate remedies, which may include compensation, corrective actions, or cooperation with consumer protection authorities in applicable jurisdictions.

By fostering communication and seeking customer feedback, the Group ensures that remediation efforts are responsive to the needs of impacted customers, reinforcing its commitment to consumer rights and trust in the brand. Customers can raise concerns or needs directly via a feedback webform, which is then compiled and reviewed in meetings with managers, internal control teams, and the legal department. The availability and efficiency of these feedback channels are maintained through a structured claims and feedback handling process.

The Group tracks and monitors issues raised and addressed, ensuring the effectiveness of customer communication channels through regular reviews by responsible employees from business areas and customer service teams. To assess whether consumers and end-users are aware of and trust the Group's processes for raising concerns, the Group employs surveys and feedback mechanisms.

These tools provide valuable insights into customer awareness and trust levels, allowing the Group to identify gaps and areas for improvement. Ensuring that communication channels remain accessible, the Group fosters a culture of trust and responsiveness, strengthening its relationship with consumers and enhancing their overall experience.

The Group has a whistleblowing policy in place that enables external stakeholders to raise concerns confidentially. Ultimate accountability for consumer protection and issue resolution lies with the Management Board Member overseeing customer service operations. Current customer service practices demonstrate that when customers use direct communication channels to raise issues, the Group prioritises resolution and fair compensation, reinforcing consumer trust and ensuring that feedback is valued rather than met with retaliation.

Governance

Good governance is the foundation of AS Tallink Grupp's business and corporate culture. Through effective governance policies and practices, the Group ensures that employees, business partners, and stakeholders within its wider value chain clearly understand the expectations set for them in their roles as employers, partners, and service providers. The Group is committed to continuously improving and enhancing its governance practices and framework to uphold transparency, accountability, and ethical business conduct across all operations.

Under the Governance and G1 topical standard, the Group provides information regarding an IRO that was identified as material in relation to the Group's potential risks and impacts on suppliers. Although the material topic was narrow and linked with other governance-related topics, it was determined that the most appropriate approach would be to cover it under the G1 topical standard. The material topic addressed under G1 relates to the protection of human rights in the supply chain, outlining the actions and targets the Group has committed to in order to ensure that human rights are upheld across its supply chain, specifically focusing on tier I suppliers.

Additionally, the Group considers anti-corruption efforts an important aspect of governance reporting under the G1 topical standard. Although corruption was not identified as a material topic during the double materiality assessment, this was largely due to the Group's strict policies, robust internal controls, and well-established processes to prevent and address corruption. The Group's strong history, with zero (0) historic incidents of corruption, further reinforces the effectiveness of its anti-corruption framework.

Further details on the roles and responsibilities of the Group's management, administrative, and supervisory bodies in relation to business conduct, as well as their expertise in corporate behaviour matters, can be found in the Corporate Governance Report of this Annual report, where the governance framework and oversight mechanisms are outlined in greater detail (see pages 34-44).

Whistleblowing

The Group is committed to promoting honest, open, and lawful conduct and encourages employees, suppliers (including workers in the value chain), and other individuals to report any actual or suspected wrongdoing or non-compliance within the Group's operations. Reports can be made regarding any misconduct that a person becomes aware of in connection with their work, professional duties, or the provision of services to the Group. The purpose of reporting is to enable the Group to take necessary action to address any wrongdoing in a timely manner and prevent future occurrences.

The Group also welcomes whistleblowing reports from individuals who obtained information about actual or suspected wrongdoing during the establishment of a contractual relationship with the Group, such as through a job application or service contract negotiation. Any suspicion can be reported through a free-form description sent directly to the Head of Group's Internal Audit department, either via email, which is accessible on the Group's homepage, or through a special anonymous reporting form available on the Group's internal website. The Group applies a case-by-case approach to whistleblowing reports, ensuring tailored responses to reported concerns while supporting the accessibility of this mechanism to all suppliers (including workers in the value chain) in their work environment. While the Group has not separately assessed the awareness of value chain workers regarding this channel, it recognises the importance of evaluating its effectiveness and is considering further assessments of awareness and trust in the mechanism. Responsibility for the whistleblowing policy, upholding anonymity and mitigating risks related to whistleblowing lies with the Management Board member overseeing the legal team.

Supplier Relationships

One significant link in the Group's value chain and a key stakeholder group is its supplier network. The double materiality assessment identified IROs related to managing relationships within the supply chain as a broader topic. However, the protection of human rights in the supply chain emerged as the specific IRO that the Group must prioritise and address.

Policy and Targets

The Group actively seeks to avoid causing or contributing to material negative impacts on value chain workers through its procurement practices, particularly by implementing stringent supplier selection and audit processes. These processes are guided by the Supplier Code of Conduct, which sets expectations for fair labour practices, safe working conditions, and respect for human rights. The Group's Supplier Code of Conduct reflects its core values and establishes the minimum anti-corruption and human rights standards that the Group expects from its supply chain. The Group remains committed to upholding human rights, including preventing modern slavery and human trafficking in its operations and supply chain. It adheres to high standards of ethical business conduct and expects suppliers to meet these same standards in their interactions with employees, suppliers, and customers.

The Group requires all suppliers to sign and adhere to its Supplier Code of Conduct. Responsibility for overseeing compliance with this policy and engagement lies with the Group's Procurement Director, and the policy is formally approved by the Group's Management Board. For larger centralised and strategic tenders, signing and adhering to the Supplier Code of Conduct is a mandatory requirement, ensuring that 100% of the Group's large and strategic suppliers are in compliance. Moreover, the Group's Management Board approved the Policy Statement on Human Rights[12] in Q1 2024, updating and extending it in Q4 2024. Responsibility for this policy lies with the Group's Management Board Member responsible for the legal team.

The Group is dedicated to responsible business practices that uphold fundamental human rights for all individuals impacted by its operations, including employees, customers, supply chain partners (including workers in the supply chain), and local communities. The Group's Human Rights Policy aligns with the International Bill of Human Rights, the European Social Charter, and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. The Group continuously strives towards ensuring that these rights are respected throughout its operations and value chain, from employees and customers to suppliers and business partners. The policy currently applies to the Group's employees and the workers in the supply chain. Human rights policy information is made available to employees through the Group's internal website and to suppliers via the external website. To reinforce compliance, human rights training is conducted for employees, with an e-learning program planned for all employees in 2025.

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[12] See more at: https://company.tallink.com/esg/governance

External monitoring of supplier compliance is conducted through supplier meetings, site visits, and audits. Any violations detected are addressed by the Group's internal control and procurement team experts. The Group follows a case-by-case approach to identifying and implementing appropriate actions in response to actual or potential negative impacts on supplier compliance (also regarding impacts on workers in the supply chain), ensuring that remediation processes are accessible, effective, and lead to meaningful outcomes. Internal human rights violations are handled by the Group's HR and internal control teams, ensuring that any concerns are addressed effectively and in alignment with the Group's ethical and legal commitments.

The Group has implemented a Procurement Policy, overseen by the Group's Head of Procurement. This policy establishes the principles and rules of procurement, defines the rights and responsibilities of individuals involved in procurement, outlines management and supervision procedures, and sets forth accountability measures for any breaches of procurement regulations.

By adhering to the Procurement Policy and structured procurement procedures, the Group has improved planning and efficiency, leading to a reduction in resources required for procurement and purchasing, enhanced procurement quality, and an improved reputation with suppliers and service providers due to greater professionalism and operational efficiency.

The Group's Management Board fully supports the implementation of the Procurement Policy and ensures its application and enforcement. All individuals involved in procurement must comply with the policy, and the Management Board of the Group supervises adherence. Employees across the Group and its subsidiaries are expected to follow the Procurement Policy and associated procurement rules.

Compliance with the Group's policies and procurement standards is monitored through regular supplier meetings (held one or more times per year), audits, and media and social media monitoring. As part of its sustainability strategy, the Group continues efforts to increase the proportion of suppliers from its home markets and prioritise suppliers with sustainable production practices.

The Group monitors external market developments as they relate to its business operations. Since February 2022, the Group has removed all Russian and Belarusian suppliers from its approved supplier list, ensuring full compliance with EU sanctions. The approved supplier list is continuously reviewed and updated to reflect regulatory compliance and strategic sourcing priorities.

In 2018, when the Group first began supplier certification, there were 6 549 tier I suppliers (direct suppliers of the final products and services) working with the Group. Over recent years, this number has stabilised at approximately 4 000 approved suppliers. All new suppliers undergo background checks before receiving approved status, as part of the Procurement Policy and supplier approval process.

When procuring goods and services, the Group conducts tenders and requests offers from at least three suppliers before making a final selection. Supplier audits and on-site visits are carried out as needed, with mandatory site visits imposed for Food & Beverage suppliers. In 2024, the Group's Supplier Audit Committee conducted 6 supplier audits, with 13 additional audits scheduled for 2025 for the Food & Beverage suppliers.

Key supplier relationship KPIs include:

- 100% compliance with the Supplier Code of Conduct for all large and strategic suppliers, ensuring ethical and regulatory adherence.
- No major ESG-related violations identified during supplier audits that require corrective action.

These objectives are designed to gradually strengthen due diligence processes for the Group's key strategic suppliers in the short-term, with a broader goal of enhancing due diligence across the majority of suppliers in the medium- to long-term horizons. Through these efforts, the Group aims to ensure wider adherence to international regulations across its entire value chain. As these objectives were established in 2024, reporting data on how the criteria are evaluated and whether they are being implemented is not yet available.

Engagement and ESG Commitments Among Suppliers

In 2024, AS Tallink Grupp conducted a supplier ESG survey among key and larger Tallink Duty Free suppliers to assess their environmental, social, and governance strategies, targets, and overall awareness and to understand the working conditions of the value chain workers. A total of 120+ suppliers were invited to participate, with approximately 50 suppliers responding, resulting in a 41% response rate. The selection process focused exclusively on Tallink Duty Free top-tier suppliers, specifically larger companies or those with the highest goods supply or turnover volume. These suppliers were included in the assessment due to the significance of their impact on Tallink Duty Free's ESG activities. The survey provided a comprehensive analysis of how suppliers address and implement ESG strategies, examining key areas such as governance, environmental impact, and social responsibility.

The finding revealed significant engagement in formalising ESG policies, setting performance targets, and publicly reporting on ESG metrics:

Governance

- 42% of companies report their ESG performance publicly through sustainability reports or integrated reporting.
- 50% have specific ESG performance targets or key performance indicators (KPIs).
- 62% of companies have a formal ESG policy or strategy in place.

Environmental Factors

- 36% of companies have policies and practices to enhance biodiversity and protect ecosystems.
- 78% of organizations have policies and practices in place to minimise waste generation and increase recycling.
- 56% of companies have policies and practices to reduce water consumption and manage water-related risks.
- 54% of organizations have policies and practices aimed at reducing pollution.
- 62% of companies have policies and practices in place to reduce their greenhouse gas (GHG) emissions.
- 56% of companies monitor and report their Scope 1 and Scope 2 GHG emissions.
- 48% of organizations monitor and report their Scope 3 GHG emissions.
- 75% of respondents report their Scope 3 emissions.

Social Factors

- 48% of companies have policies and practices in place to address the impact of their activities on affected communities.
- 96% of companies have policies and practices in place to ensure fair labour practices, including safe working conditions and fair wages for their workers

A majority of suppliers have implemented measures to reduce GHG emissions, pollution, and water consumption, along with strategies to minimise waste and enhance biodiversity. Many companies are also assessing the environmental impacts of their products and services and monitoring various scopes of GHG emissions.

From a social responsibility perspective, suppliers demonstrated a strong commitment to fair labour practices, both internationally and within their broader value chains. There is also a growing focus on evaluating the impact of Group activities on communities, highlighting a widespread commitment to sustainability and corporate social responsibility among the majority of surveyed suppliers.

To strengthen supplier engagement on ESG topics, the Group participated in and hosted several key industry events through the year:

- In May 2024, ESG topics were discussed with suppliers at the Group's annual supplier and employee event in Tallinn
- In October 2024, the Group attended the largest Duty-Free Fair globally in Cannes, France, where face-to-face meetings with key supply partners were held to discuss ESG commitments. A supplier brochure outlining the Group's ESG policies, activities, and targets was distributed to suppliers.
- In December 2024, the Group hosted a supplier event onboard one of its vessels, where a presentation on the Group's ESG activities, targets, and expectations for suppliers was delivered to approximately 150 key food and beverage suppliers.

Prevention of Corruption and Bribery

The Group operates on a zero-tolerance principle for any form of corruption and has enforced a clear anti-corruption policy since 2018. This policy defines the Group's commitment to preventing corrupt business practices and establishes a code of conduct regarding conflicts of interest, declaration of gifts, and reporting of integrity concerns. The policy applies to all of the Group's subsidiaries worldwide, including members of governing bodies, employees (both permanent and temporary), related parties, and their respective managing bodies and employees.

The Group is committed to conducting business ethically and recognises that even the suggestion of corruption can damage its reputation and undermine the integrity of the entire organisation, including individual directors and employees. The Group strictly complies with all applicable anti-bribery and anti-corruption laws in the jurisdictions in which it operates, even if this results in losing business opportunities, avoiding specific third-party engagements, or experiencing operational delays.

The Management Board and Supervisory Board sponsor and strictly enforce the Anti-Corruption Policy, ensuring that it applies to all subsidiaries, directors, and employees. The Management Board is responsible for compliance oversight, with regular monitoring and review by the Supervisory Board, supported by the Audit Committee. All parties subject to the policy must ensure full understanding and compliance at all times.

The internal audit department exercises supervision over compliance with the policy, which includes:

- Reviewing approvals of gifts, hospitality, and entertainment to identify patterns that could indicate potential bribery or attempted bribery.
- Assessing intermediaries and business partners providing services in the public sector annually and reviewing other appointments once every two calendar years.

The Policy is communicated to all new employees upon signing their employment contract.

Conflict of Interest

Any employee conducting a transaction on behalf of the Group is required to report any potential conflict of interest via a designated form on the Group's intranet.

Declaration of Gifts

When offering, giving, or accepting gift, hospitality, or entertainment, employees must ensure that such exchanges are not intended to influence decision-making or affect business activities. The Anti-Corruption Policy mandates that gifts with a value of 50 EUR or more must be declared. Gifts exceeding the value of 100 EUR per person cannot be offered, provided, or accepted without approval from the Group's Management Board. Gifts are declared via a special form on the Group's intranet.

Training

In 2024, the Group's Internal Audit team conducted a risk assessment to identify the most at-risk functions and positions for potential corruption risks. A total of 155 positions were identified as higher risk based on the nature of their responsibilities. Following this assessment, the in-house training team, in collaboration with the legal team, developed an online anti-corruption training course focused on familiarity with the policy, compliance measures, and reporting obligations. As of the end of 2024, 77% of the identified high-risk employees across all markets and subsidiaries had successfully completed the training. In 2025, the completion of this training will be mandatory for all employees, ensuring that anti-corruption awareness and compliance are embedded throughout the entire organisation.

Incidents

The Group has a Whistleblowing Policy in place that allows for anonymous reporting of any suspected corruption incidents. In 2024, there were no reported corruption cases or fines paid by the Group. Any reported cases would be handled in accordance with legal requirements and Group policy. The legal team is responsible for processing and investigating such reports, and in the event of a confirmed violation, it is the Group's policy to report the incident to the respective national authorities.