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ESG REPORT 2025

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This report has been prepared based on the requirements of the Sustainability Accounting Standards Board (SASB)

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ABOUT SFL

Established in 2003, SFL Corporation Ltd. (“SFL” or the “Company”) has developed from a pure tanker-owning company to one of the world’s largest ship owning companies. SFL was listed on the New York Stock Exchange (NYSE) in 2004 and has paid dividends every quarter since.

The Company is primarily engaged in the ownership, operation and chartering of its vessels and offshore-related assets on medium- and long-term charters. This report covers 75 (64) units that were active during the reporting year, including tankers, dry bulk, container vessels, car carriers and offshore assets. Our diversified fleet provides flexibility to continue developing our distribution capacity, irrespective of market fluctuations.

The Company’s objective is to maintain a portfolio of high-quality assets supported by long-term charters with strong counterparties. Achieving this relies on continuously improving the fleet’s emissions performance and fuel efficiency in close cooperation with our partners and clients.

SASB ACTIVITY METRICS

ACTIVITY METRIC	UNIT OF MEASURE	DATA 2023	DATA 2024	DATA 2025	SCOPE OF CONTRACT **	SASB REFERENCE
Number of shipboard personnel ⁿ	Number	1,501	1,509	1,536	Operated fleet; Linus; Hercules	TR-MT-000.A
Total distance travelled by vessels ^o	Nautical miles (nm)	3,531,924	4,560,889	4,662,742	Operated fleet; Linus; Hercules	TR-MT-000.B
Operating days ^p	Days	20,295	22,441	20,267	Operated fleet	TR-MT-000.C
Deadweight tonnage	Deadweight tonnes	7,793,462 / 6,513,711	8,001,056 / 6,599,853	7,708,631 / 6,564,320	All assets / operated fleet	TR-MT-000.D
Number of assets in fleet ^q	Number	75 / 60	76 / 65	75 / 64	All assets / operated fleet	TR-MT-000.E
Number of vessels port calls ^r	Number	2,399	3,583	1,892	Operated fleet	TR-MT-000.F
Twenty-foot-equivalent unit (TEU) capacity	TEU	324,700 / 207,600	320,300 / 214,800	332,000 / 214,600	All relevant vessels	TR-MT-000.G

* All letter references are indexed and listed on pages 28-31 in this document, containing definitions and assumptions to the information provided
 ** Note that the data for all years are updated with the scope indicated to ensure data consistency.



ABOUT THIS REPORT

The disclosures in this report aim to provide analysts and other key stakeholders with material ESG information. SFL’s report has been prepared on a consolidated basis in accordance with the SASB Marine Transportation Standard (2023) and with reference to the Global Reporting Initiative (GRI) Standards.

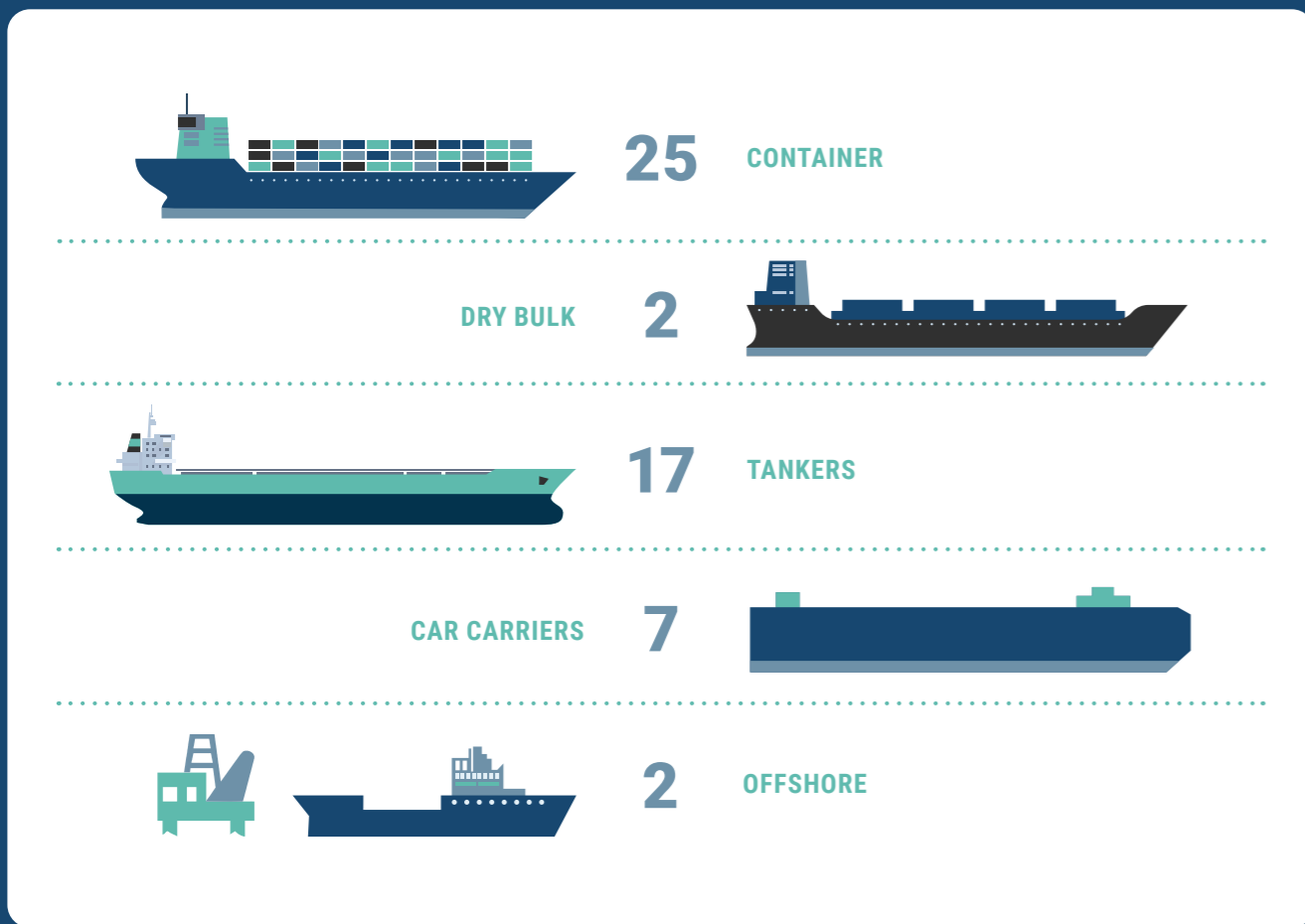
The report presents our material environmental, social and governance (ESG) performance in our operations and value chain, along with how we manage material sustainability matters, for the financial year ending December 31, 2025. All letter references in data tables are indexed and listed on pages 28-31 in this document, containing definitions and assumptions to the information provided.

For report questions or feedback, please email us at trym.sjolie@sflcorp.com or see contact details on the back cover of this report.

KEY HIGHLIGHTS



OWNED ASSETS AS OF YEAR-END 2025



*Including partly owned vessels and acquired vessels

INTRODUCTION



The operating environment in 2025 remained complex, influenced by geopolitical tensions and the continued fragmentation of global trade. Ongoing security challenges in the Red Sea region significantly reduced transits through the Suez Canal, with many vessels continuing to reroute via the Cape of Good Hope. Trade disputes and evolving tariff regimes added further uncertainty to global supply chains, affecting cargo flows and investment decisions. While these developments contribute to volatility, they also highlight the importance of SFL's diversified fleet, long-term charter coverage and strong counterparties, which provide resilience during periods of geopolitical uncertainty.

Sustainability remains a core element of our long-term value creation. Our commitment to reducing emissions is driven not only by evolving regulatory requirements, but also by our responsibility to operate an efficient and competitive fleet in an industry undergoing structural change. During the year, we continued to invest in modern, fuel-efficient vessels and increased our exposure to LNG dual-fuel technology as part of our fleet renewal strategy. In 2025, the Company upgraded two chemical tankers with dual-fuel micro boilers designed to improve the management of boil-off gas. These upgrades support optimised LNG consumption, reduced fuel costs and lower greenhouse gas emissions intensity. The modifications form part of our broader technical strategy to enhance vessel performance, ensure regulatory compliance and support long-term asset value.

Sustainability considerations are embedded at Board level and integrated into all major investment decisions. The outcomes of our 2024 Double Materiality Assessment (DMA) support the ongoing development of our reporting, risk management processes and performance monitoring, ensuring transparency and alignment with stakeholder expectations.

Our fleet renewal programme reflects our long-term strategic focus. In July 2024, we announced the construction of five 16,800 TEU LNG dual-fuel container vessels, with delivery scheduled for 2028. These vessels will incorporate advanced fuel-efficiency technologies and are designed to meet future regulatory requirements.

In 2025, we entered into new five-year time charters for six existing medium-sized container vessels, alongside USD 4.85 million in energy-efficiency upgrades expected to deliver total fuel savings of approximately 5000 metric tons per year. This was combined with USD 17.3 million in capacity upgrade projects across three containerships, increasing carrying capacity by approximately 1800 twenty-foot equivalent units and improving emissions

per transport work (ton-nm). These investments will further strengthen the vessels' emissions performance and long-term competitiveness.

As part of our long-term fleet renewal strategy, the Company divested eight Capesize and five Supramax bulk carriers in 2025. These transactions reflect a disciplined approach to capital allocation, and an ongoing commitment to fleet modernisation. SFL continues to pursue new investment opportunities in fuel-efficient maritime assets, aligning portfolio renewal with evolving environmental standards and long-term market fundamentals.

Our commitment to people and responsible business conduct remains equally important. We continue to prioritise a safe, inclusive and respectful working environment, with human rights and HSE considerations integrated into our operations and partnerships. During the year, we conducted screenings of all shipyards involved in dry docking and newbuilding projects to assess and mitigate potential human rights risks within our supply chain.

Maintaining a modern, energy-efficient fleet alongside a robust governance framework remains a cornerstone of SFL's strategy. We believe that disciplined capital allocation, long-term charter coverage and proactive sustainability initiatives position the Company well in an evolving regulatory and market landscape.

We remain committed to delivering long-term value while contributing to a more sustainable maritime industry. We aim to ensure that our disclosures are clear and accessible, and we welcome any questions or feedback. Thank you for taking the time to review this report.



TRYM OTTO SJØLIE
Chief Operating Officer
SFL Management AS

ESG AT SFL



At SFL, ESG is a fundamental part of how we operate and is fully integrated into our business model. We believe that clear guidance and strong control mechanisms are necessary to ensure the effective management of sustainability risks in our daily operations. Our ESG framework reflects the integration of the UN Global Compact principles across both our operations and our value chain.

We have established policies and control processes to support our employees and partners, while ensuring compliance with all applicable international and local laws and regulations. All SFL's ESG-related policies and procedures were updated in 2023, and the external documents are available on our website.

SFL's governing instruments on ESG:

- Code of Business Ethics and Conduct
- Compliance Policy
- Complaints Procedure (Whistleblowing Policy)
- Environmental Policy
- Ship Recycling Policy
- Know Your Business Partner Policy
- Sanction Policy
- Financial Crime Policy
- Privacy Policy



MANAGEMENT OF ESG

The Board of Directors (BoD) holds ultimate responsibility for ESG at SFL. The BoD oversees the Company's strategy, including its decarbonisation strategy, and ensures that appropriate and effective ESG-related risk management and internal control systems are in place. It also reviews SFL's corporate governance framework on an annual basis. Throughout the year, the BoD considers key ESG matters and reviews the annual ESG report. As part of this oversight, the BoD has reviewed and approved the Company's GHG accounting and emission targets, as well as decisions related to the divestment and investment in assets with differing emission profiles. The BoD's Audit Committee provides oversight of key ESG risks and external reporting, and receives regular updates on ESG reporting processes.

In 2024, particular attention was given to the Company's preparations for the Corporate Sustainability Reporting Directive (CSRD). However, following the adoption of the EU Omnibus simplification package in February 2025, companies including SFL have paused certain elements of CSRD implementation pending further regulatory clarity. Despite this, work has continued on core initiatives such as data collection and governance frameworks to ensure readiness for future compliance. The Committee also monitors reports and complaints relating to internal controls and compliance, with all incidents reported to the BoD through an annual review.

The Chief Executive Officer (CEO) is responsible for overseeing the day-to-day implementation of ESG at SFL, ensuring alignment with environmental, social and governance principles. An example of an ESG-related decision taken by the CEO is the investment in emission monitoring systems across the fleet.

The Chief Operating Officer (COO) is responsible for implementing ESG-related policies and establishing monitoring and reporting processes related to ESG risks and performance. Technical managers act as primary responders to incidents, ensuring timely handling. The technical management of our vessels, including crewing, is outsourced to several leading third parties and is closely overseen and evaluated by our fleet managers.



MATERIAL TOPICS AND KEY TARGETS

Identifying material ESG impacts, risks and opportunities remains central to SFL's business strategy. Our approach is guided by the ESG topics most relevant to our industry, as well as by the areas where we can make a meaningful contribution to our environmental, social and economic performance. Focusing on material topics allows us to prioritise our sustainability efforts, allocate resources efficiently and report on progress in a clear and relevant manner.

We conducted a full Double Materiality Assessment in 2024, engaging with key stakeholders across our operations and value chain. Our stakeholders include, among others,

employees, suppliers, customers and non-governmental organisations (NGOs), as well as users of our ESG report such as banks, analysts and investors. We maintain ongoing engagement with these groups and have established close relationships with them. These interactions provide a broad understanding of stakeholder priorities, which is valuable in identifying our material topics.

Our assessment of actual and potential material impacts considered both the severity and likelihood of impacts across environmental, social and governance areas. In parallel, sustainability-related risks and opportunities were evaluated based on both their likelihood and the scale of their potential financial impact.

Overall, the following topics have been deemed by the BoD to be material to our ESG efforts:

- Direct GHG emissions
- Low carbon energy sources
- Health and safety involving crew
- Corruption risk
- Human rights
- Spills and releases
- Training – compliance training and training onboard (e-based)

SFL will continue to improve performance in these areas, and has developed specific ESG targets to address these material topics as follows:

	SDGs	MATERIAL TOPICS	TARGET	2025 PERFORMANCE
E	13 Climate Action	Direct GHG emissions	2% in annual year-on-year AER improvement (fleet average)	-6.8%
	14 Life Below Water	Spills and releases	Zero spills	Zero
S	3 Good Health and Well-Being	Health and safety involving crew	0% in Lost time injury frequency (LTIF)	0.19
	8 Decent Work and Economic Growth			
	10 Reduced Inequalities	Human rights	100% of seafarers covered by collective bargaining agreements (CBAs)	See page X
G	4 Quality Education	Corruption	100% of new business partners screened for ESG compliance annually	100%
			Zero monetary losses resulting from any form of corruption	Zero
	17 Partnerships for the Goals	Compliance training and training onboard	100% completion rate on compliance training amongst employees, including the management team	100%

INDUSTRY COOPERATION

Many of the challenges facing our industry require coordinated action. Through collaboration with other stakeholders, including industry participants and regulatory authorities, we seek to stay ahead of developments related to material risks and opportunities.

Together with industry peers such as Flex LNG, Frontline and CMB-TECH, SFL has established an ESG forum to develop industry-leading approaches to ESG risk management and reporting parameters. The purpose of this forum is to improve

the efficiency of the companies' ESG efforts and support more harmonised reporting practices, enabling clearer communication at both management and board levels.

In addition, we actively participate in and support the following initiatives and organisations:

- **The Neptune Declaration**
- **The Maritime Anti-Corruption Network (MACN)**
- **The International Association of Independent Tanker Owners (Intertanko)**
- **Oil Companies International Marine Forum (OCIMF)**

ENVIRONMENT



SFL is committed to reducing its environmental footprint through its operational model and fleet utilisation. The Company complies with applicable environmental legislation and works proactively to anticipate future regulatory developments in order to meet industry expectations.

The key environmental impacts associated with the shipping industry include GHG emissions, nature-related impacts such as air and water pollution and biodiversity loss, as well as circular economy considerations. SFL actively works to manage these impacts, recognising that our efforts are important for safeguarding the environment and the societies in which we operate, as well as our customers and our business. We regularly assess identified environmental impacts to ensure that appropriate safeguards are in place and to minimise any adverse effects on the environment. At the same time, our continued focus on maintaining a modern, energy-efficient fleet positions us well to manage climate-related risks and respond to opportunities arising from increasingly stringent environmental regulations and evolving stakeholder expectations.

Our Environmental Policy applies across all operations and defines how emissions are to be reduced through efficient vessel operations, the use of new technologies and ongoing work with our Ship Energy Efficiency Management Plan (SEEMP). Through the Shipman agreement, all ship managers are required to adhere to this policy. Ship management companies are responsible for ensuring that the policy is communicated to all relevant parties within their fleet and integrated into each vessel's Safety Management System. These systems are audited annually in accordance with the International Safety Management (ISM) Code, as well as ISO 9001 and ISO 14001, where applicable. In the event of a breach of the Environmental Policy, we ensure that investigations are conducted to identify root causes and that corrective actions are implemented to prevent recurrence.

CLIMATE CHANGE

Maritime shipping represents a significant source of GHG emissions, driven by the scale of transported volumes and long sailing distances.

At MEPC 80 in June 2023, the International Maritime Organisation (IMO) finalised the first revision of its GHG Strategy, reinforcing its ambition to reduce emissions from international shipping. The revised strategy introduces targets to cut well-to-wake GHG emissions by 20% by 2030 (striving for 30%) and by 70% by 2040 (striving for 80%) compared to 2008 levels, while also aiming to achieve net-zero by or around 2050.

Maintaining a modern and energy-efficient fleet remains a key pillar of SFL's overall corporate strategy. We are committed to a targeted investment programme spanning vessel acquisitions, newbuildings and eco-retrofits, with an emphasis on solutions capable of utilising low- or zero-carbon energy sources. As of December 31, 2025, the average age of our fleet, whether owned or leased, was approximately 11 years and 6 months.

The disposal of older vessels continues to play an important role in SFL's strategy to renew and diversify the fleet. In 2025, the Company divested six Capesize and five Supramax bulkers at 15 years, along with one 1700 TEU vessel at 20 years. By the end of 2025, SFL had also sold two Suezmax tankers with an average age of 11 years. SFL continues to actively pursue investments in maritime assets incorporating new technologies to support its environmental ambitions in the years ahead.



State of the art efficiency programme

Alongside the introduction of new vessels to our fleet, the Company has advanced a range of decarbonisation initiatives in partnership with clients during 2025. The Company is currently executing upgrade programmes on vessels time-chartered to Maersk. In 2025, approximately USD 22.15 million will be committed to energy efficiency measures, including shaft generators, Variable Frequency Devices (VFDs), Main Engine Load Optimisers and LED lighting onboard. VFDs and load optimisers regulate motor speed and torque in line with operational demand, while shaft generators harness energy from the main propulsion system to reduce fuel consumption compared to alternative power sources. These initiatives contribute to lower overall fuel usage and reduced long-term maintenance costs across the fleet.

In 2025, a multi-year project with MAERSK A/S was finalised, covering 4 x 8,700 TEU containerships. The final vessel, San Francisco, was delivered to the charterer from Qingdao Beihai shipyard in June 2025. The container capacity of all four vessels has been increased from 8,700 TEU to 9,500 TEU, representing a 9% uplift. The vessels are fitted with modern fuel-saving technologies, including a redesigned bulbous

bow, pre-swirl devices and propeller boss cap fins, which are expected to reduce annual fuel consumption by approximately 700–900 MT per vessel. The upgrades have also improved the vessels' Annual Efficiency Ratio (AER) by an estimated 16% compared to a similar period in 2023/24.

SFL has also secured new five-year time charters for six containerships with capacities ranging from 9,500 to 10,600 TEU, built between 2015 and 2016 and incorporating modern wide-beam designs and fuel-efficient electronic engines. As part of these arrangements, three vessels, Maersk San Juan, San Lazaro and San Vincent, have been retrofitted with shaft generators. These systems generate electrical power by utilising the rotation of the main propulsion shaft, reducing dependence on auxiliary diesel generators. The upgrades enhance overall energy performance and contribute to lower fuel consumption and emissions.

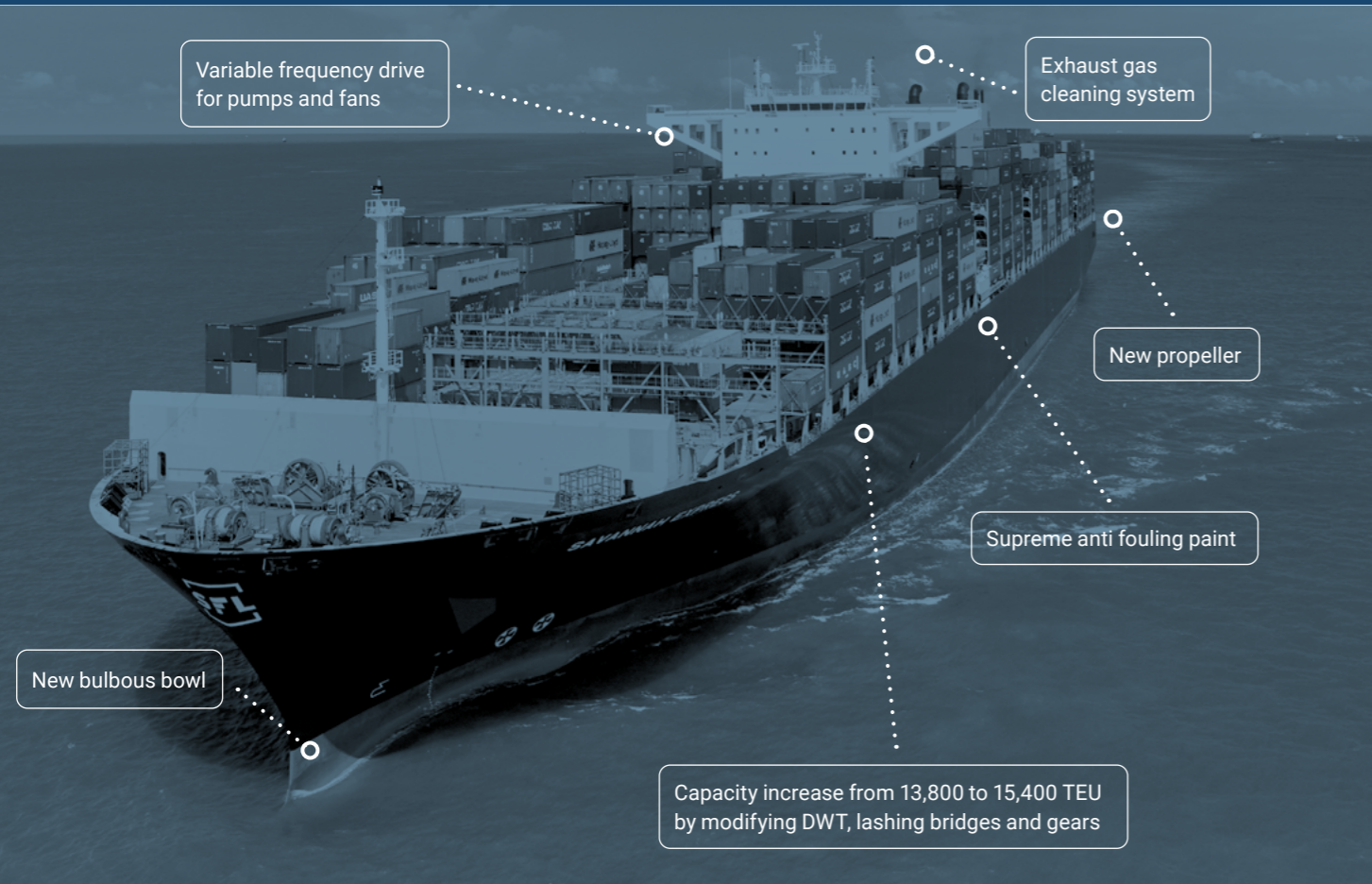
During 2025–2026, retrofit programmes are ongoing for the remaining three vessels, including cargo capacity enhancements and the installation of additional energy-efficient technologies. These initiatives are expected to further strengthen operational performance, increase revenue potential and reduce emissions intensity across the fleet.

Sustainability-linked financing

SFL is committed to advancing its decarbonisation efforts with support from its banking partners through sustainability-linked financing of its fleet. The Company has established a Sustainability-Linked Bond Framework in accordance with the Sustainability-Linked Bond Principles issued by the

International Capital Markets Association (ICMA). At the beginning of 2023, SFL successfully issued USD 150 million in senior unsecured sustainability-linked bonds due in 2027, which were subsequently listed on the Oslo Stock Exchange.

- Read about our Sustainable-Linked Bond Framework [here](#)
- Read the independent review [here](#)



Performance in 2025

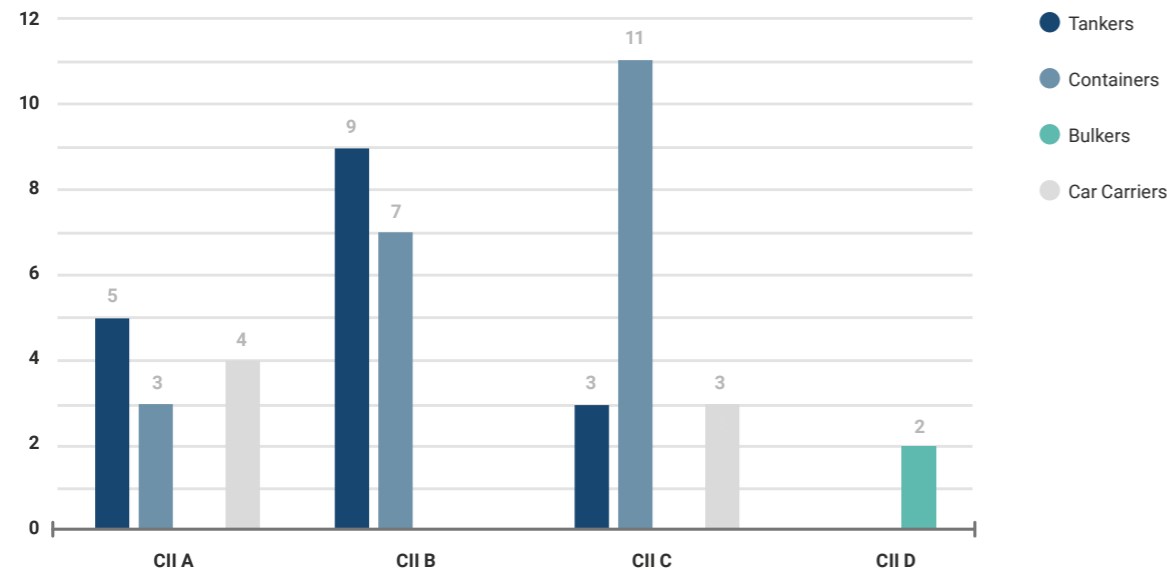
ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2023	DATA 2024	DATA 2025	SCOPE OF CONTRACT
CO₂ EMISSIONS					
Scope 1 GHG emissions (financial control) *	Metric tonnes (t)CO ₂	2,183,699	2,386,381	2,354,227	Operated fleet; Hercules; Linus
Carbon intensity indicator (CII)	gCO ₂ /DWT-nm	Aframax: 4.15 Suezmax: 3.23 Capesize: 2.72 Kamsarmax: 3.87 Supramax: 5.61 Chem tanker: 10.28 Car carrier: 5.34 Container 1000-1999: 12.61 Container 5000-7999: 6.03 Container 8000-11999: 5.79 Container 12000-14999: 5.36	Aframax: 4.27 Suezmax: 3.15 Capesize: 2.81 Kamsarmax: 3.34 Supramax: 5.68 Chem tanker: 8.35 Car carrier: 4.50 Container 1000-1999: 12.85 Container 2000-2999: 10.66 Container 5000-7999: 6.51 Container 8000-11999: 6.23 Container 12000-14999: 5.36	Aframax: 3.57 Suezmax: 3.08 Capesize: 2.65 Kamsarmax: 4.06 Supramax: 3.08 Chem tanker: 8.28 Car carrier: 4.28 Container 1000-1999: 12.40 Container 2000-2999: 9.93 Container 5000-7999: 5.93 Container 8000-11999: 5.68 Container 12000-15400: 5.39	Operated fleet

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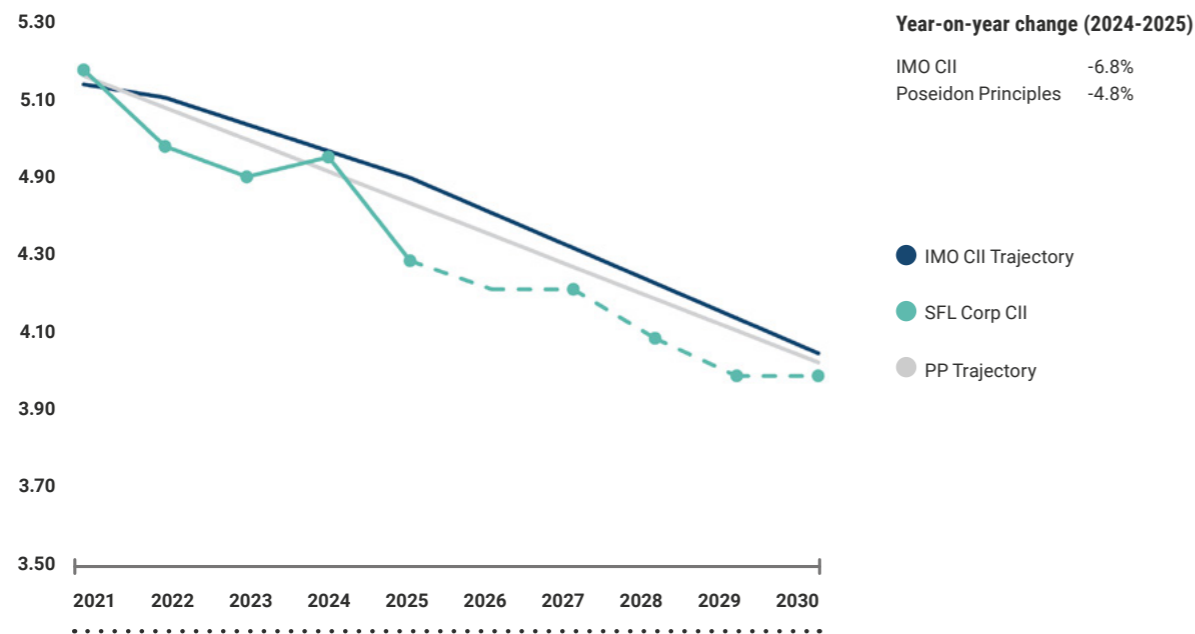
When applying the financial control approach in line with the GHG Protocol, fleet emissions represent approximately 100% of SFL's direct Scope 1 GHG emissions. In this report, the Company includes 64 vessels and two offshore assets within its Scope 1 emissions. The remaining assets, which are on long-term bareboat charters to MSC, are excluded from this figure. We continue to develop our Scope 3 inventory to achieve a more complete overview of emissions across our value chain. Emissions from the remaining vessels will be incorporated as part of our indirect emissions going forward. SFL's Scope 1 emissions decreased by 0.7% in 2025, primarily driven by reduced sailing speeds across our larger container vessels, combined with the divestment of older and less efficient Supramax and Capesize bulk carriers during the reporting period.

SFL achieved the following CIIs (Carbon Intensity Indicator) for the year ending 2025:

2025 CII achieved by vessel type



Emission trajectories



OUR DECARBONISATION STRATEGY

Our “Decarbonisation journey towards 2030–2050” is designed to ensure that our fleet remains compliant with evolving regulatory requirements. The objective of this strategy is to provide a clear basis for further optimisation and modernisation of our fleet and operations in a cost-efficient and sustainable manner. The strategy also supports continued progress and ensures that the necessary resources are directed towards improving our environmental performance.

By applying this approach, we are well positioned to make informed operational and strategic decisions based on verified data, and we are already realising tangible benefits, including:

- **Reduced overall costs**
- **Stronger positioning towards our charter market, cargo owners and end-consumers**
- **A more efficient fleet with lower emissions**
- **Improved readiness for compliance with upcoming regulations**

As of 2025, the project has delivered:

The IMO and Poseidon Principles Trajectories

We have completed a verification of the attained annual operational Carbon Intensity Indicator (CII). Each vessel received an environmental rating ranging from ‘A’ (major superior) to ‘E’ (inferior), based on emissions per unit of transport work, calculated using the Annual Efficiency Ratio (AER) / Carbon Intensity Indicator (CII). The rating thresholds will become progressively more stringent towards 2030. In 2025, our overall fleet weighted CII rating was 4.42, outperforming the IMO emission trajectories.

Through our fleet improvement and renewal initiatives, the Company achieved a reduction in the weighted CII rating for 2025, and SFL remains aligned with the IMO emission trajectories (see page 12). The improvement in the overall fleet CII score was also supported by the divestment of twelve older and less fuel-efficient bulk carriers in 2025.

SFL remains confident in its ability to meet its CII targets, supported by a comprehensive 10-year plan outlining the required technologies and investments to achieve its emission reduction objectives. This plan includes the adoption of sustainable fuels.

Fleet digitalisation and edge computing

Our digital monitoring platform, Veracity, enables real-time tracking of each vessel’s emissions and energy consumption.

It serves as a key tool for monitoring, managing and reporting ESG-related KPIs, as well as assessing our performance against regulatory requirements. SFL’s performance and emissions data are cloud-based, allowing key KPIs such as AER, EEOI and CO2 to be accessed instantly. DNV is our selected partner for third-party verification of our emissions and intensity metrics.

SFL continues to invest in edge computing, including the development of digital twins for all vessels entering our fleet. The use of high-frequency data enhances our ability to detect potential risks and take timely, informed actions, supporting our position as a premium operator. We also carry out regular testing to ensure the quality and reliability of the data used to guide our operational decisions.

FuelEU Maritime and EU ETS preparation

The EU has decided to include maritime transport in its Emissions Trading System (EU ETS) from 2024, alongside the introduction of requirements on well-to-wake GHG emissions under FuelEU Maritime from 2025. We have previously conducted a risk assessment of the EU regulations included in the Fit-for-55 package.

Vessels across our different fleet segments operate either within the EU or on routes between Asia and Europe, and are therefore subject to the EU ETS. The estimated exposure in 2025 amounted to EUR 17.5 million in emission allowances (EUAs), which will be reimbursed by the polluter at the end of the regulatory period.

We have established a robust Monitoring, Reporting and Verification (MRV) system to ensure compliance and to effectively manage our EUA exposure at both voyage and fleet level. With FuelEU Maritime entering into force on January 1, 2025, SFL has introduced a “FuelEU Maritime readiness programme” covering internal processes and commercial agreements to ensure compliance.

Scope 3 reporting

In 2025, we collaborated with AI companies on a Scope 3 emissions baseline study to better understand the materiality of each emissions category across our upstream and downstream value chain.

The development of a Scope 3 inventory will enhance our insight into value chain emissions, support more effective management of emission-related risks and opportunities, and contribute to reducing indirect emissions. We are also exploring ways to improve the accuracy and granularity of our data collection.

SFL'S DECARBONISATION TOOLBOX

SFL's fleet is fitted with a range of energy-saving technologies. These technologies are grouped into four main categories:



TECHNICAL EFFICIENCY

Through its affiliation with Front Management, SFL has developed extensive experience in managing new vessel construction. This has enabled the Company to deploy energy-saving technologies across the fleet, including modern hull designs, pre-swirl ducts, propeller optimisation, variable frequency drives and LED lighting.



FUTURE PROPULSION

In the coming years, SFL expects further advancements in low-emission propulsion technologies. As commercially viable solutions become available, SFL intends to incorporate these into its fleet renewal programme. This will better position both the Company and its clients to meet the need for emissions reductions in line with, and beyond, the IMO's strategy towards 2050. We continue to engage actively with regulators and vendors to identify the most appropriate long-term solutions for environmentally friendly propulsion.

In 2025, SFL consumed 5,172 tonnes of biofuels across its tankers, car carriers and container vessels. Although this represents a relatively small share of total fuel consumption, biofuel is a renewable alternative to heavy fuel oils. It is produced through the transesterification of plant and animal oils and remains an attractive decarbonisation option for ship owners, as it can be implemented without the need for the large-scale capital investments required by other decarbonisation solutions.



OPERATIONAL EFFICIENCY

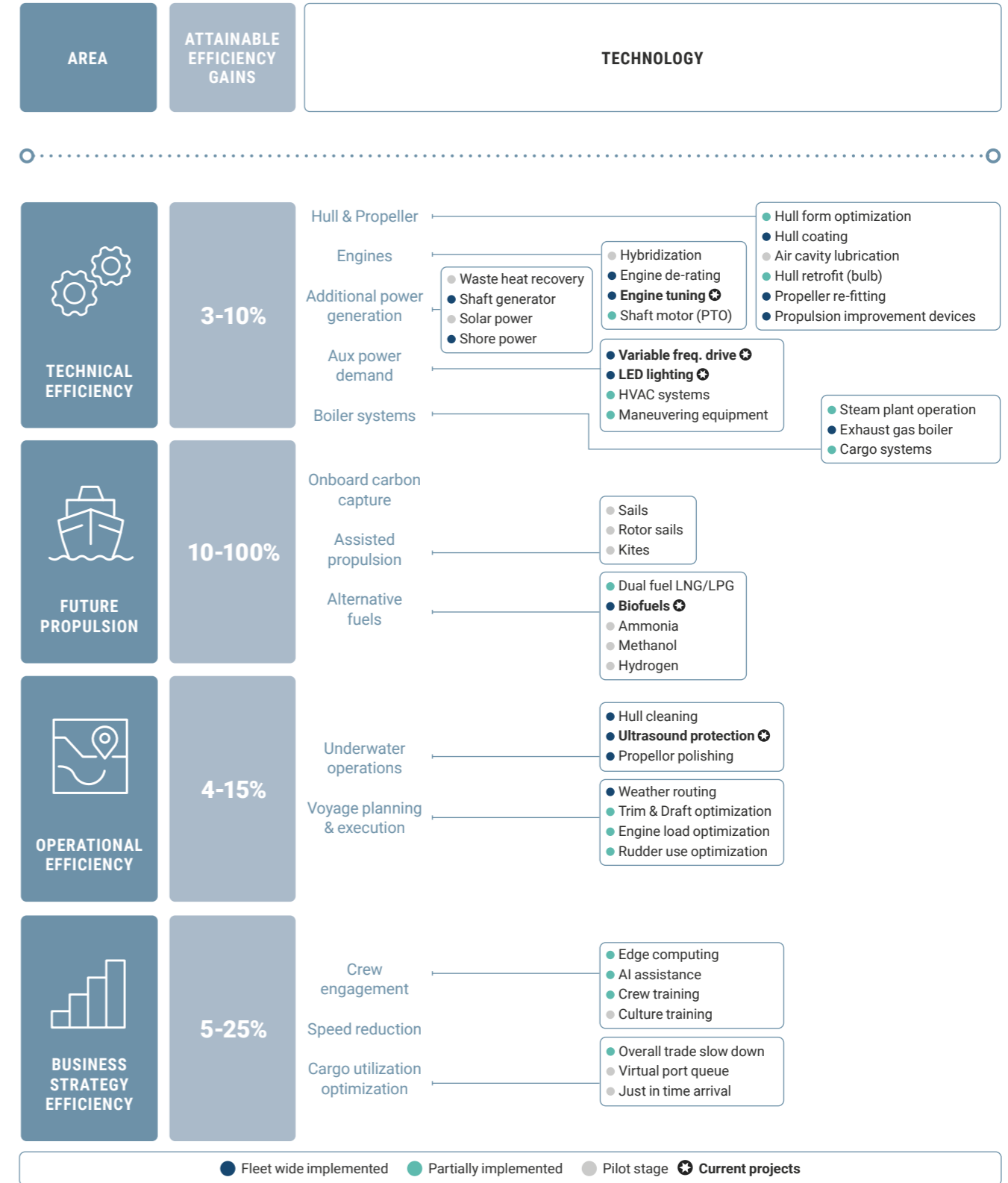
Operational measures, such as hull cleaning, propeller polishing and weather routing, are fully implemented across our fleet. These measures are cost-effective and can deliver meaningful fuel savings, providing a win-win outcome by reducing both emissions and fuel costs. To support collaboration and enable faster decision-making, we utilise VPS for real-time data sharing, ensuring that both ship and shore operate with a shared operational picture. VPS is supplied with high-frequency sensor data to support accurate and timely decision-making.



BUSINESS STRATEGY EFFICIENCY

SFL maintains a continuous focus on measures such as crew training, just-in-time arrival and speed optimisation to improve the efficiency and performance of our fleet. We will continue to refine and strengthen our approach, as developing a competitive and lower-emission fleet remains essential to safeguarding SFL's position as one of the world's largest ship-owning companies.

SFL'S DECARBONISATION TOOLBOX



CLIMATE-RELATED RISKS

Climate change presents physical, technological, regulatory and reputational risks to SFL. The Task Force on Climate-related Financial Disclosures (TCFD) provides a useful framework for assessing these risks, and the following outlines SFL's current approach:

Governance

The Board of Directors (BoD) is responsible for overseeing the Company's strategy, including the management of climate-related risks and opportunities. Management provides the BoD with regular updates on these matters, covering current and emerging regulations, performance against the Company's decarbonisation strategy, including emissions reduction trajectories, as well as relevant technological developments. The Chief Operating Officer (COO) is responsible for the overall implementation of climate-related policies and for ensuring performance and risk management. The COO also establishes monitoring and reporting processes, including those related to climate-related financial risks and opportunities. In addition, the Audit Committee provides oversight of key ESG risks and external reporting and receives regular updates on ESG reporting processes.

Strategy

SFL is currently reassessing a range of climate-related risks and opportunities as part of its review of material topics to align with the CSRD. Regulatory developments, such as the inclusion of shipping in the EU ETS and the introduction of well-to-wake GHG emission requirements under FuelEU Maritime in 2025, are expected to influence transportation costs. At the same time, increasing customer awareness of carbon-related costs is likely to drive demand for lower-emission tonnage in the medium term. Managing these factors requires careful optimisation of investment and divestment decisions. We therefore regularly review our asset composition and development plans, taking into account updated information on environmental regulations and climate-related risks.

Since 2020, SFL has integrated decarbonisation into its core business strategy. Our ambition is to own and operate a modern, fuel-efficient fleet with a reduced carbon footprint, and we are committed to achieving the IMO 2030 targets as a minimum threshold. Decarbonisation is not only important from an environmental perspective but also represents a sound long-term business decision.

Risk

Climate risk identification is embedded within our overall risk management and internal control framework. Market and financial risks are assessed on a daily basis. Regulatory developments and technological advancements remain the two most significant risk drivers for the Company.

SFL recognises the importance of climate-related risks and actively participates in discussions across relevant forums. We hold regular management meetings, engage closely with our technical department and take part in the ESG forum to remain informed and to proactively manage climate-related risks.

Targets and metrics

The IMO has updated its emission reduction strategy towards 2050 in line with the Paris Agreement. The revised strategy includes absolute emission reduction targets of 20% by 2030 (striving for 30%) and 70% by 2040 (striving for 80%) compared to 2008 levels, as well as achieving net-zero by or around 2050. SFL supports these targets and, in the short term, aims to outperform both the IMO and the Poseidon Principles emission trajectories.

Our CII values are calculated using the Average Efficiency Ratio (AER), expressed as grams of CO₂ per deadweight ton-nautical mile. The CII rating scale, which will become progressively more stringent towards 2030, ranges from 'A' (major superior) to 'E' (inferior). Since 2018, SFL has reported its Scope 1 GHG emissions annually using the financial control approach. In 2025, our Scope 1 emissions amounted to 2,354,227 metric tonnes CO₂, while Scope 2 emissions were 16.1 metric tonnes CO₂ (location-based) and 2.2 metric tonnes CO₂ (market-based). Our efforts to further improve the management and quality of Scope 3 emissions data will continue.

NATURE

For SFL, nature-related impacts cover a broad range of topics, including air and water pollution, biodiversity loss, as well as associated reputational and operational risks. As a ship owner managing a significant portfolio of physical assets used for seaborne transportation, SFL has substantial interaction with the marine environment. We therefore recognise our responsibility to identify, avoid, minimise, manage and monitor our environmental footprint by improving the Company's environmental performance, ensuring compliance with regulations and meeting the expectations of our customers and other key stakeholders.

The combustion of fuel in our operations generates air pollutants that have negative impacts on both the environment and human health. SFL is committed to reducing emissions at source and to adopting new technologies to limit our impact. In response to the IMO's 0.5% global sulphur cap for marine fuel oils introduced in 2020, SFL applies a combination of low-sulphur fuels and the installation of Exhaust Gas Cleaning Systems (EGCS) across the fleet. As of December 31, 2025, the Company's fleet included 35 vessels fitted with scrubbers. For the remaining vessels, the use of cleaner fuels removes the need for installing scrubber systems.

We recognise our responsibility to safeguard the environment and place strong emphasis on improving our environmental performance and protecting biodiversity. Marine transportation

carries inherent risks to the surrounding environment, which may result in negative impacts on biodiversity. These include ship-related pollution, collisions, underwater noise, grounding and anchor damage, as well as the transfer of invasive species. Each vessel operates under a Biofouling Management Plan to ensure regular and effective anti-fouling and cleaning routines. These plans are aligned with the IMO's Biofouling Guidelines and are periodically reviewed and updated in line with best practice. Effective management of biofouling not only helps prevent the spread of invasive species but also reduces underwater resistance and, as a result, GHG emissions. SFL recognises that large oil spills can have severe and long-lasting impacts on ecosystems, potentially leading to environmental degradation, serious injuries or fatalities. In the event of a spill-related incident, ship managers are required to notify us immediately and provide a situation report. A full investigation report must then be submitted no later than 14 days after the incident.

While ballast water is essential for safe shipping operations, it may also pose significant ecological, economic and health risks, as vessels can facilitate the transfer of organisms between ecosystems. Under the International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM Convention), the IMO has established requirements for ballast water management systems, including limits on the number of viable organisms discharged. At the end of 2025, all our vessels were equipped with ballast water treatment systems (BWTS).

Performance in 2025

ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2023	DATA 2024	DATA 2025	SCOPE OF CONTRACT
OTHER EMISSIONS TO AIR					
NOx (excluding N ₂ O) ^d	Metric tonnes (t)	56,198	57,810	49,482	Operated fleet
SOx ^d	Metric tonnes (t)	6,243	6,950	6,012	Operated fleet
Particulate matter ^d	Metric tonnes (t)	2,438	1,203	1,552	Operated fleet
Shipping duration in marine protected areas or areas of protected conservation status ^e	Number of days	249	260	149	All vessels / Operated fleet
Implemented ballast water exchange ^f	Percentage	1.7%	0%	0%	Operated fleet
Implemented ballast water treatment ^f	Percentage	98.3%	100%	100%	Operated fleet
Spills and releases to the environment ^g	Number	2	0	0	Operated fleet; Hercules; Linus
	Cubic meters	0.06	0	0	Operated fleet; Hercules; Linus

*All letter references are indexed and listed on pages 28-31 in this document, containing definitions and assumptions to the information provided

In 2025, the duration of shipping activities within marine protected areas or areas with protected conservation status remained in line with the previous year. SFL has installed BWTS across 100% of its fleet. Despite longer sailing distances, emissions to air have remained relatively stable, largely due to a significant share of our vessels being fitted with EGCS. These systems are effective in reducing particulate matter by 99%. The Company recorded a moderate increase in cumulative emissions of sulphur oxides (SOx) and nitrogen oxides (NOx) compared to the previous year.

CIRCULAR ECONOMY

Unsafe waste management and disposal from ships can result in significant environmental and health impacts. The prevention of pollution from ship-generated waste is regulated under the International Convention for the Prevention of Pollution from Ships (MARPOL) Annex V, which restricts the discharge of most waste into the ocean. SFL has installed water filtration systems across all vessels, and our ship managers have introduced policies promoting the use of reusable water bottles. Since 2019, strict procedures have been in place to ensure that all plastic-containing debris is properly collected and disposed of in a safe manner.

During the past year, our main focus has been on strengthening our management systems and improving our methods for tracking and reporting waste, in preparation for the incoming ESRS. We have implemented electronic record keeping (e-logs) with replication to the office, enabling real-time monitoring of waste generation and handling.

More recently, we have prioritised further development of our waste management and reporting practices to align with ESRS requirements. This has resulted in the establishment of a comprehensive waste management framework and the integration of Storm Geo's service to support detailed waste reporting. SFL intends to set a waste reduction target once a reliable baseline has been established. Ships contain hazardous materials, and ship recycling must therefore be carried out in accordance with strict standards to protect human health, safety and the environment. SFL aims to comply

with all relevant legislation governing the recycling of end-of-life vessels, including the Basel Convention, the United Nations Convention on the Law of the Sea, the EU Waste Shipments Regulations, MARPOL and the European Ship Recycling Regulation. SFL also welcomes the recent ratification of the Hong Kong Convention, which will enter into force in 2025. This regulation is intended to ensure that ships, once they reach the end of their operational life, can be recycled without posing risks to workers or the environment.

Although SFL operates one of the most modern fleets in the industry, reducing both the likelihood and near-term need for ship recycling, the potential environmental impact means that this remains a prioritised risk for the Company. As a result, SFL has introduced a number of measures within its Ship Recycling Policy to manage risks associated with vessel sales and recycling. This includes ensuring that any future recycling of SFL vessels is carried out at approved yards compliant with the Hong Kong Convention, and that Memoranda of Agreement (MOAs) with cash buyers include appropriate compliance warranties.

We also incorporate relevant clauses related to further trading and ship recycling in all sales contracts. The Ship Recycling Policy is reviewed and updated annually to reflect regulatory developments and evolving best practices. In all cases, the potential recycling risk is assessed when a vessel is sold.



SOCIAL



SFL's ambition is to provide a safe and diverse working environment where human rights are respected, all employees are ensured fair working conditions, and the well-being of our workforce is continuously supported. Our approach is guided by industry and international standards, in line with the expectations of our key stakeholders. In this section, we outline how we are delivering on our strategic commitments related to health and safety, human rights, labour rights protection, diversity and inclusion, as well as human capital development.



25

Onshore workforce



1,536

Offshore workforce

At the end of 2025, SFL employed 25 permanent onshore staff that are domiciled in Oslo, London, Cyprus and Singapore. The employee turnover rate for our onshore workforce was 8% in 2025. Our offshore workforce, referring to those who work onboard SFL's vessels (62) and offshore assets (2), numbered 1,536 in 2025.

HEALTH AND SAFETY

At SFL, the health, safety and well-being of our people is our highest priority, including the thousands of seafarers employed by the ship management companies we work with.

We have introduced a range of measures in this area, both through requirements placed on ship managers and through initiatives related to crew training and onboard facilities.

Through our participation in the Neptune Declaration, we have supported ship managers in implementing well-being initiatives and ensured that seafarers have access to mental health support. For example, maritime personnel have access to a well-being app that enables private contact with a psychologist via personal devices. The app uses artificial intelligence, gamification and behavioural techniques to assess mood and support mental health. This platform also enables us to identify early indicators and respond proactively to support our crew.

Through SFL's health insurance arrangements, a well-being app is also available to our onshore employees. The app, "Overvinne", has been developed by psychologists and provides support on demand, allowing employees to access help on their own terms. It includes a digital self-help programme consisting of short videos, audio content, mood tracking and articles.

The safety and security risks associated with maritime operations must be carefully managed to protect crew, vessels, cargo and the environment. SFL operates with a zero-accident ambition, based on the principle that serious injuries and environmental incidents are unacceptable.

All tasks are assessed for inherent hazards before work is carried out. For higher-risk activities, such as enclosed space entry or working at height, a "permit to work" system ensures that planned work and associated risk assessments are reviewed by relevant personnel. The combination of our

safety management system and predictive maintenance system ensures that routine tasks are planned with appropriate consideration of operational risks offshore. SFL ensures that key systems, including the safety management system, are subject to at least annual audits by independent auditors. In addition, vessels are regularly inspected by Port State Control (PSC) authorities and by our customers. A Ship Inspection Report Programme (SIRE) inspection is conducted for tankers, while RightShip inspections apply to container and dry bulk vessels. Our Technical Department, through the HSEQ function, also conducts annual audits.

Crew and onshore personnel can report hazards or unsafe conditions through near-miss and unsafe act reporting systems. Recognising that concerns about repercussions may discourage reporting, we have implemented a Stop Work Policy, clearly stating that any individual may halt work if it is considered unsafe.

We also promote a "learner mindset", where mistakes are treated as opportunities for improvement. Crew have direct access to the Designated Person Ashore (DPA), as well as an anonymous whistleblowing hotline for raising concerns. Reports submitted through the hotline are received by the Head of the Audit Committee and the Head of Compliance. The DPA also holds regular one-to-one meetings with the CEO.

Work-related incidents are investigated using structured accident investigation methods tailored to the nature of the event, including technical assessments, staff interviews and reconstruction of the incident sequence. Findings are recorded in an incident reporting system, enabling analysis of root causes. Corrective actions are identified and tracked through to completion. The system also supports trend analysis, helping to strengthen preventive measures and reduce the likelihood of similar incidents occurring in the future.



Performance in 2025

ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2023	DATA 2024	DATA 2025
LOST TIME INJURY FREQUENCY				
Lost time injury frequency (LTIF) ¹	Rate	0.46	0.30	0.19
MARINE CASUALTIES				
Incidents ¹	Number	0	0	0
Very serious marine casualties ^k	Percentage (%)	0	0	0

¹All letter references are indexed and listed on pages 28-31 in this document, containing definitions and assumptions to the information provided.

SFL continues its track record of zero incidents onboard its assets. SFL regularly performs preventative measures to prevent recurrence. The Company continues to have a zero-accident ambition and operates according to the principle that no serious injury or environmental incident is acceptable.

HUMAN AND LABOUR RIGHTS

SFL is fully committed to upholding fundamental human and labour rights across our operations and value chain. We recognise the principles set out in the UN International Bill of Human Rights, the Maritime Labour Convention and the International Labour Organisation's (ILO) Core Conventions on Fundamental Principles and Rights at Work. SFL operates in line with the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises and applicable national legislation, including the Norwegian Transparency Act.

The shipping industry is exposed to a number of specific human rights risks due to the global nature of operations, partnerships and supply chains, many of which involve high-risk jurisdictions. As a result, SFL has taken a range of measures to manage these risks, including conducting human rights due diligence to identify, prevent and mitigate potential adverse impacts throughout our value chain.

This work has led to the identification of three prioritised human rights risk areas:

- Shipbuilding and dry-docking
- Sale of ships and ship recycling
- Crew

The BoD retains overall responsibility for risk management, including human rights risks, and approves SFL's policies. Management is responsible for implementing human rights-related procedures in daily operations, while the Audit Committee oversees and reports on any complaints related

to internal controls and compliance. We expect our business partners to adhere to the same standards and commitments relating to human and labour rights. Ship managers are encouraged to conduct Human Rights Due Diligence and to include appropriate risk-mitigating clauses in contracts where relevant.

To safeguard against adverse human rights impacts, we include audit rights and termination provisions in our contracts. These provisions allow for both regular and random audits, including reviews of wages and working hours, as well as announced and unannounced site visits, inspections and interviews with crew. This is supplemented by formal annual meetings with all ship managers. In addition, we operate a third-party whistleblowing channel and encourage both employees and external parties to report concerns or suspected breaches of our Code of Business Ethics and Conduct through this platform.

Human and labour rights, as well as the management of business partners, are included in mandatory annual compliance training for all employees and local supervision teams at our shipyards. Looking ahead, we will continue to strengthen our processes related to human and labour rights, as well as the documentation of activities across our value chain. This includes ongoing assessments of our crew's social and labour conditions and closer monitoring of high-risk partners such as shipyards. We also aim to ensure that human rights clauses are consistently included in 100% of relevant contracts.

There were no recorded incidents of severe human rights violations in 2025.

HUMAN RIGHTS RISK AREAS



SHIPBUILDING, SHIP REPAIRS AND DRY-DOCKING

Shipbuilding and repair activities are labour-intensive and may be associated with human and labour rights risks, both in terms of accidents and injuries and the potential for worker exploitation. Shipbuilding and dry-docking activities are primarily carried out in China and Turkey. As part of our broader compliance programme, we conduct compliance testing and screening of both existing and prospective business partners. SFL screens and monitors all shipyards involved in dry docking and newbuilding projects, assessing potential human rights risks. The outcomes of these assessments lead to specific follow-up actions for improvement by our business partners and, where necessary, may result in the termination of business relationships.

In 2025, we continued to carry out external testing activities, including spot checks and on-site visits to key business partners.



SALE OF SHIPS AND SHIP RECYCLING

The risks associated with the sale of ships and ship recycling primarily relate to the possibility of vessels being subject to "beaching" or informal shipbreaking processes. Both scenarios may pose risks to workers, local communities and the environment. Although the relatively modern profile of our fleet reduces the likelihood of near-term recycling, it is important to recognise that all forms of ship recycling, including formalised processes, are labour-intensive and require particular attention to human and labour rights risks. These risks are comparable to those linked to shipbuilding, and where applicable, we apply similar mitigation measures.

In 2025, SFL further enhanced its due diligence procedures relating to potential buyers of second-hand vessels.



CREW

There are a number of human and labour rights risks associated with seafaring. The onboard working environment, characterised by extended periods offshore, may result in limited oversight and weaker enforcement of regulations, increasing the risk of worker exploitation. This may include excessive working hours, inadequate wage levels and risks related to modern slavery. To mitigate these risks, we appoint ship managers only following thorough due diligence and assessment processes. Crewing and technical management are outsourced to leading third-party ship management companies, which are closely supervised, monitored and regularly evaluated throughout the duration of our business relationships.

We also expect all ship managers to adhere to the same standards of business ethics, human rights and labour rights that we apply within SFL. This includes, at a minimum, compliance with the Maritime Labour Convention and the ILO's Core Conventions, which aim to safeguard seafarers' rights to collective bargaining and ensure non-discrimination. In addition, ship managers are required to comply with the standards set by the International Transport Workers' Federation. We maintain audit rights and include contractual provisions, such as termination clauses, to ensure these requirements are upheld. Through internal procedures, including our Know Your Business Partner Policy, we monitor our fleet to verify that ship managers operate in line with our ethical standards, including those related to human and labour rights.

100% of SFL's seafarers are covered by collective bargaining agreements. In 2025, we carried out "crew testing" to assess labour rights conditions onboard several vessels. No material irregularities were identified, although certain observations were followed up with relevant ship managers where opportunities for improvement were identified.



EQUAL TREATMENT AND OPPORTUNITIES

SFL prohibits discrimination against any employee, or any other individual, on the basis of sex, race, colour, age, religion, sexual orientation, marital status, national origin, disability, ancestry, political opinion or any other characteristic. The Company does not tolerate unlawful harassment, and employees are expected to treat one another with respect. We also expect our contractors, suppliers and other business partners to uphold similar standards of fair treatment and equal opportunity for their employees. To strengthen awareness and prevent discrimination and harassment, these topics are included in mandatory compliance training for all employees and management.

There were no reported incidents of discrimination or harassment in 2025.

SFL is an international organisation that values diversity and cultural differences. Our offshore workforce represents a wide range of nationalities from across the world. The maritime industry has historically been male dominated, a trend that is also reflected in the composition of our offshore workforce. While the majority of seafarers are men, we actively promote the inclusion of female seafarers and have welcomed female cadets onboard our vessels. Onshore, SFL is working to address gender imbalance by taking a deliberate approach during recruitment processes. Currently, women represent 56.3% of SFL's onshore workforce, exceeding the broader representation of women working onshore in the maritime industry².

Our success is driven by the competence, commitment and dedication of our employees, both onshore and at sea. Employees are encouraged to identify their training needs

through individual development plans. To support this, we offer a range of opportunities for professional growth and career development. This includes training aimed at strengthening interpersonal skills, such as leadership development and communication, as well as technical training relevant to their roles, including Electronic Chart Display and Information System (ECDIS) training and specialised courses for technical equipment.

In 2025, all employees, including the management team and two board members, completed annual compliance e-learning. The training covered topics such as financial crime, competition law and anti-trust, insider trading, confidentiality and privacy, sanctions and KYC, social and labour conditions, human rights and whistleblowing. We also held in-person compliance training sessions in our Singapore, Oslo and London offices, in addition to ad hoc sessions on the Dow Jones RiskCenter, a web-based due diligence tool used to assess and monitor compliance risks. New employees are also required to complete an introductory compliance training session.

In April 2025, we organised our second "Compliance Awareness Week". The week-long programme included in-person training sessions held as lunch seminars with external experts, covering topics such as corruption, anti-trust and whistleblowing. We also hosted a seminar on geopolitical risks relevant to our industry, published podcasts on compliance-related topics and organised a case study competition. In 2026, SFL will host another "Compliance Awareness Week" to maintain awareness and further strengthen understanding of key risks and the implementation of mitigating measures.

² [Women-in-maritime_survey-report_high-res.pdf](#)

GOVERNANCE



SFL is committed to conducting its business honestly and ethically, as outlined in our Corporate Code of Business Ethics and Conduct (the Code) and Financial Crime Policy. Our Financial Crime Policy further commits us to the most stringent rules and regulations.

OUR COMPLIANCE PROGRAMME

SFL operates a comprehensive Compliance Programme led by our Head of Compliance, ensuring that our business is conducted in an ethical and responsible manner.

In 2025, SFL engaged Agenda Risk to carry out a risk assessment aimed at identifying and addressing the risks to which the Company is exposed. This process resulted in the development of a risk map covering all identified risks, with several mitigating actions already implemented during 2025. The Company will continue to ensure that key personnel at shipyards involved in newbuilding and dry-docking activities receive appropriate training in anti-corruption and SFL's Code of Business Ethics and Conduct.

In recent years, one of the most significant risks for companies operating in the maritime and energy sectors has been the potential breach of sanctions, whether directly or indirectly through third parties. Following Russia's invasion of Ukraine, the UK, EU and US have introduced extensive sanctions targeting Russian interests, including entities, individuals, oil and oil products. SFL has established a Sanctions Policy and a Know Your Business Partner policy to address these risks.

We continuously monitor our fleet and respond to alerts if vessels operate near sanctioned areas or if there are gaps in AIS signals. In addition, third-party screening, robust due diligence processes, ongoing monitoring of business partners and contractual risk mitigation measures all contribute to reducing the likelihood of sanctions violations.

Top compliance risks in 2025

Third-party corruption and bribery (newbuildings, dry-docking, commercial operations etc.)	4
Third parties in breach of sanctions	4
Breach of sanction (direct)	3
Newbuildings, severe breach of human- and labour rights	3
Unknowingly receives funds from sanctioned/illegal activities when selling vessels (includes money laundering)	3
Anti-trust/anti-competitive practices	3
Sale of vessels resulting in environmental crime and/or breach of human- and labour rights	3
Facilitation payments	3
Various types of fraudulent activities on ship (theft of cargo, financial crime etc.)	3
Dry-docking, severe breach of human- and labour rights	3
Insider trading	3
Environmental crime	3
Harassment of crew and other employees	3
Conflict of interest	3

● 1 = Very low ● 2 = Low ● 3 = Moderate ● 4 = High ● 5 = Very high



ANTI-CORRUPTION AND BUSINESS ETHICS

In addition to sanctions-related risks, and in line with many companies operating in the maritime industry, SFL continued to face exposure to bribery and corruption risks in 2025. The industry operates across multiple jurisdictions with elevated corruption risk and relies on intermediaries, agents and sub-suppliers that may lack formal compliance programmes or the cultural standards expected by ship owners. In the current macroeconomic environment, SFL considers the likelihood of corruption to have increased across several regions compared to previous years.

These risk areas remain subject to ongoing mitigation efforts at SFL. In addition to providing anti-corruption training to employees and key suppliers, measures include embedding anti-corruption and bribery clauses in contracts, as well as conducting screening and ongoing monitoring of business partners and beneficial owners for adverse media related to corruption and bribery. To support the continuous assessment of these risks, we utilise Transparency International's Corruption Perception Index (CPI).

Our Code of Business Ethics and Conduct (the Code) and Financial Crime Policy adopt a zero-tolerance approach to breaches of applicable laws and regulations, including the UK Bribery Act and the US Foreign Corrupt Practices Act (FCPA). These policies apply to all entities under the control of SFL's officers, directors and employees, as well as to workers and third-party consultants, regardless of location.

The Code describes our expectations and requirements relating to:

- **Compliance with laws and regulations**
- **Honest and fair dealing**
- **Conflict of interest and corporate opportunity**
- **Anti-corruption**
- **Confidentiality and privacy**
- **Proper use of company assets**
- **Anti-discrimination and harassment**
- **Integrity of corporate records**

The Code outlines how breaches are handled and requires employees who become aware of a situation they believe may violate the Code to report it promptly to their manager. Under our Financial Crime Policy and related compliance procedures, employees receive risk-based communication and training as part of both onboarding and ongoing development.

Suspected breaches of our policies are to be reported either to a line manager or through our anonymous whistleblowing platform provided by WhistleB. The platform is accessible to all, including employees, seafarers and external parties. The whistleblowing system is tested on a quarterly basis by SFL's Head of Compliance. SFL supports collective action against corruption and is a member of MACN. Through this initiative, members collaborate with stakeholders, including local authorities, to develop practical and effective solutions. Based on input from our ship managers, we report facilitation payment requests to MACN on a quarterly basis.

SYSTEMS FOR SUPPLIER MONITORING

SFL has implemented Dow Jones RiskCenter, a third-party management tool, to support integrity due diligence, as well as the screening and monitoring of business partners. The term "business partners" covers all entities and individuals with whom the Company engages, including banks, charterers, agents, brokers, ship managers, consultants, joint venture partners, suppliers and other intermediaries. The tool allows SFL to monitor business partners from the pre-contractual stage throughout the full lifecycle of the relationship. This

approach enables us to identify and manage potential risks, including breaches of sanctions, involvement in money laundering, corruption or other non-compliant activities.

The Head of Compliance is responsible for overseeing screening and monitoring activities. All employees receive training on the use of the tool when onboarding new business partners. We carry out internal reviews annually based on spend reports from accounting, while our auditor performs spot checks on an ad hoc basis.

Performance in 2025

ACCOUNTING METRIC	UNIT OF MEASURE	DATA 2023	DATA 2024	DATA 2025
CORRUPTION INDEX				
Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perceptions Index ^h	Number	232	114	195
CORRUPTION				
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	0	0	0

*All letter references are indexed and listed on pages 28-31 in this document, containing definitions and assumptions to the information provided

In 2025, the number of port calls in countries ranking lowest on Transparency International's Corruption Perception Index was considerably lower than last year. SFL have had zero litigations concerning any form of corruption in 2025. Moreover, no instances of whistleblowing were reported in 2025. Taken together, these metrics suggest that business conduct issues remained minimal throughout the year.



APPENDIX

SUSTAINABILITY ACCOUNTING STANDARD DISCLOSURES

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	2023	2024	2025	SCOPE OF CONTRACT	SASB CODE
CO₂ EMISSIONS							
Greenhouse gas emissions	Gross global Scope 1 emissions: Financial control ^a	Metric tonnes (t) CO ₂	2,183,699	2,386,381	2,354,227	Operated fleet; Hercules; Linus	TR-MT-110a.1
	Discussions of long-term and short-term strategy or plan to manage Scope 1 emissions, emission reduction targets, and an analysis of performance against those targets	Qualitative description	See pages 9-16			Operated fleet	TR-MT-110a.2
	Indirect emissions: Scope 2, purchased electricity ^b	Metric tonnes (t) CO ₂	Location based: 0.2 Market based: 0.5	Location based: 5.2 Market based: 284.7	Location based: 16.1 Market based: 2.2	HQ	Additional
	Indirect emissions: Scope 3, business travel ^b	Metric tonnes (t) CO ₂	11.94	75.0	109.56	HQ	
	ENERGY CONSUMED						
Total energy consumed	Gigajoules (GJ)		27,722,631	24,674,262	28,446.804	Operated fleet	TR-MT-110a.3
	Percentage of energy from heavy fuel (%)		50%	56%	66.1%	Operated fleet	
	Percentage of energy from renewable/low-carbon sources (%)		0%	0.3%	0.7%	Operated fleet	
EEDI & CARBON INTENSITY INDICATOR							
Average Energy Efficiency Design Index (EEDI) for new ships ^c	Grams of CO ₂ per ton-nautical mil		Car carrier: 11.8	Car carrier 12.02 Chem tanker 4.72 Product tanker : 2.86	Car carrier: 12.02 Chem tanker: 4.72	Operated fleet	TR-MT-110a.4
Average Energy Efficiency Design Index (EEDI) for fleet	Grams of CO ₂ per ton-nautical mil		Aframax 3.87 Suezmax 3.11 VLCC 2.46 Capesize 2.77 Kamsarmax 4.62 Supramax 6.03 Chem tanker 10.20 Car carrier 5.34 Container 1000-1999 8.15 Container 2000-2999 5.76 Container 5000-7999 6.48 Container 8000-11999 5.81 Container 12000-14999 5.83	Aframax: 4.27 Suezmax: 3.15 Capesize: 2.81 Kamsarmax: 3.34 Supramax: 5.68 Chem tanker: 8.35 Car carrier: 4.50 Container 1000-1999: 12.85 Container 2000-2999: 10.66 Container 5000-7999: 6.51 Container 8000-11999: 6.23 Container 12000-14999: 5.36	Aframax: 3.57 Suezmax: 3.08 Capesize: 2.65 Kamsarmax: 4.06 Supramax: 5.6 Chem tanker: 8.28 Car carrier: 4.28 Container 1000-1999: 12.40 Container 2000-2999: 9.93 Container 5000-7999: 5.93 Container 8000-11999: 5.99 Container 12000-15400: 5.39	Operated fleet	Additional
OTHER EMISSIONS TO AIR							
Air Quality	NO _x (excluding N ₂ O) ^d	Metric tonnes	56,198	57,810	49,482	Operated fleet	TR-MT-120a.1
	SO _x ^d	Metric tonnes	6,243	6,950	6,012		
	Particulate matter ^d	Metric tonnes	2,438	1,203	1,552		
MARINE PROTECTED AREAS							
Shipping duration in marine protected areas or areas of protected conservation status ^e	Number of travel days		249	260	149	All vessels/ Operated fleet	TR-MT-160a.1
IMPLEMENTED BALLAST WATER							
Ecological impacts	Exchange ^f	Percentage (%)	1.7%	0%	0%	Operated fleet	TR-MT-160a.2
	Treatment ^f	Percentage (%)	98.3%	100%	100%	Operated fleet	
SPILLS AND RELEASES TO THE ENVIRONMENT							
Incidents ^g	Number		2	0	0	Operated fleet	TR-MT-160a.3
	Aggregate volume ^g	Cubic meters (m ³)	0.06	0	0	Operated fleet	

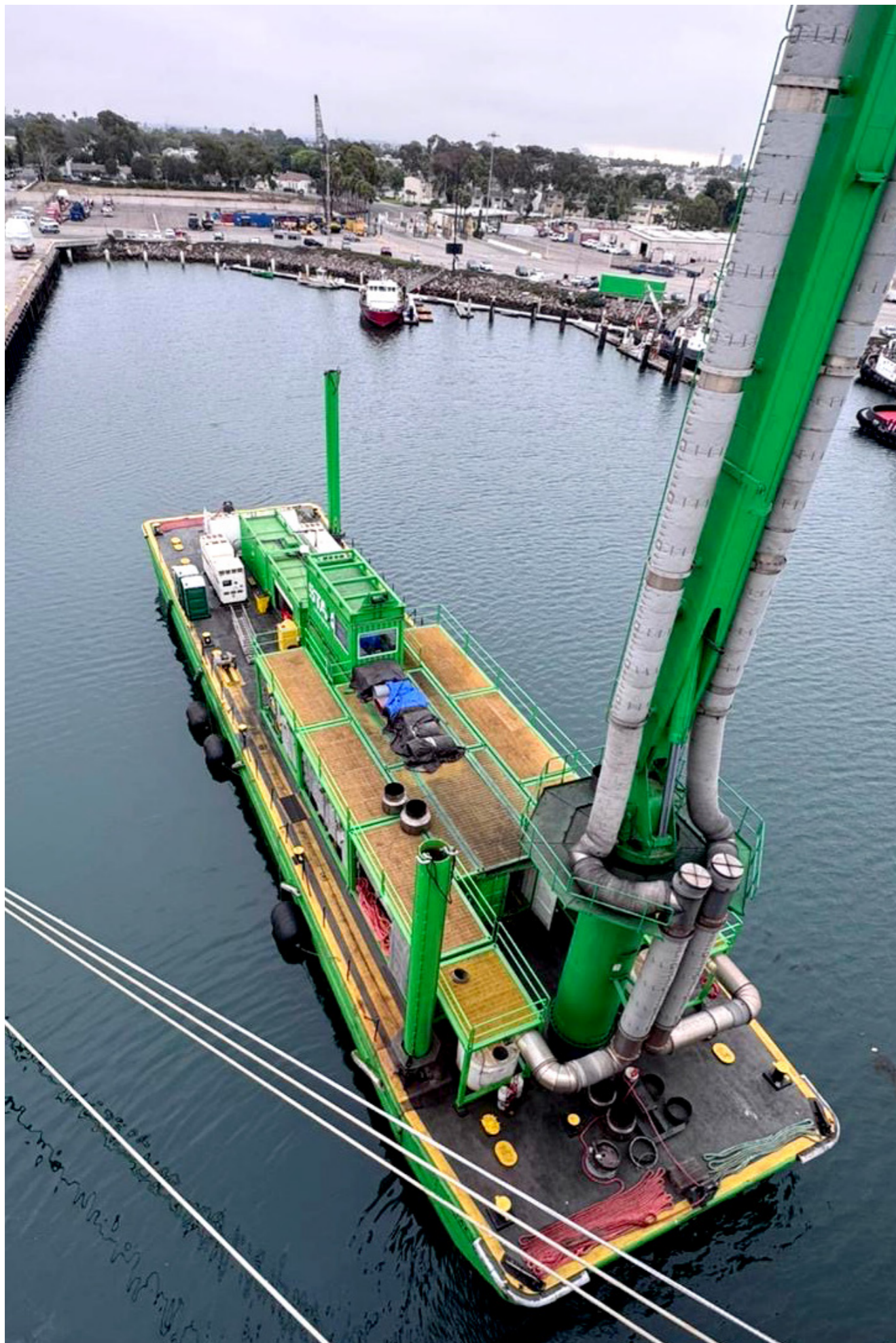
SUSTAINABILITY ACCOUNTING STANDARD DISCLOSURES

TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	2023	2024	2025	SCOPE OF CONTRACT	SASB CODE	
CORRUPTION INDEX								
Business ethics	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perceptions Index ^h	Number	232	114	195	Operated fleet	TR-MT-510a.1	
	CORRUPTION							
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	0	0	0	Operated fleet	TR-MT-510a.2	
	FINES AND SANCTIONS							
	Number of fines and total monetary value of fines	Number and reporting currency	0	0	0	Operated fleet	Additional	
Non-monetary sanctions for non-compliance with laws and/or regulations	Number	0	0	0	Operated fleet			
LOST TIME INJURY FREQUENCY								
Employee health and safety	Lost time injury frequency (LTIF) ⁱ	Rate	0.46	0.30	0.19	Operated fleet	TR-MT-320a.1	
MARINE CASUALTIES								
Accident & Safety Management	Incidents ^j	Number	0	0	0	Operated fleet	TR-MT-540a.1	
	Very serious marine casualties ^k	Percentage	0	0	0	Operated fleet		
	CONDITIONS OF CLASS							
Condition of class or Recommendations ^m	Number	0	0	0	Operated fleet	TR-MT-540a.2		
PORT STATE CONTROL								
Deficiencies ^l	Rate		1.17	1.05	1.14	Operated fleet	TR-MT-540a.3	
	Detentions ^l	Number	1	0	0	Operated fleet		

INDIVIDUALS IN THE ORGANISATION'S GOVERNANCE BODIES BY DIVERSITY CATEGORIES (AS OF DECEMBER 31, 2025)					
	MALE	FEMALE	UNDER 30 YEARS OLD	30-50 YEARS OLD	OVER 50 YEARS OLD
Board of Directors	6	1	0	4	3

EMPLOYEES BY DIVERSITY CATEGORIES (AS OF DECEMBER 31, 2025)					
	MALE	FEMALE	UNDER 30 YEARS OLD	30-50 YEARS OLD	OVER 50 YEARS OLD
Temporary (Headcount / FTE)	0	1 / 0.21	1 / 0.21	0	0
Permanent (Headcount / FTE)	17 / 17	9 / 8.17	1 / 0.17	16 / 16	9 / 9
Full-time (Headcount / FTE)	17 / 17	9 / 8.38	1 / 0.17	16 / 16	9 / 9
Part-time (Headcount / FTE)	0	0	0	0	0

LOCATION	HEADCOUNT / FTE
Cyprus	2 / 2
Norway	8.38 / 9
United Kingdom	7 / 7
Singapore	7 / 7



DISCLAIMER AND ASSUMPTIONS FOR THE SASB REPORTING

The information provided is based on the best data available at the time of reporting. The ESG disclosures should be used to understand the overall risk management of sustainability related issues, however, in some areas data are based on estimates, please see comments below.

^a **CO₂-emissions – scope 1:** Based on IMO emission factors. The “financial control” approach defined by the GHG Protocol has been applied. Scope 1: all vessels, based on fuel consumption for the year.

^b **Indirect CO₂ emissions:** Scope 2 is based on electricity consumption for our offices using conversion factors from IEA (2023) for Singapore, and AIB (2022) for Oslo and London. Both location based and mark-based factors have been used. In 2025, SFL secured 100% renewable energy to the Company’s Head Office in Oslo through a retail supply contract with an electricity supplier. Certificate (GoO) was delivered to SFL from our selected vendor (Veni Energy) – Market/Location based figures for previous years were corrected. Scope 3 is based on business travel (onshore employees) in the reporting year, for 2025 staff outside Oslo have been included, figures provided by travel agent.

^c **Average Energy Efficiency Design Index (EEDI) for new ships:** New ships average EEDI is based on new ships entering the fleet in 2023 (keel laid after July 2013).

^d **Particulate matter (PM), NO_x, SO_x emissions (Metric tonnes):** The methodology has been developed with support from DNV, based on IMO factors.

^e **Shipping duration in marine protected areas or areas of protected conservation status:** A marine protected area is not as defined by the International Union for Conservation of Nature (IUCN). However, the reported number does not necessarily include all Marine protected areas internationally established and regulated in International the Marine Organisation (IMO) Conventions and areas established nationally by member states. Shipping duration is the sum of the travel days (24-hour periods).

^f **Percentage of fleet implementing ballast water exchange and treatment:** Only ships performing ballast water exchange with an efficiency of at least 95% volumetric exchange of ballast water have been included. When it comes to treatment, approved systems must discharge (a) less than 10 viable organisms per cubic meter that are greater than or equal to 50 micrometres in minimum dimension and (b) less than 10 viable organisms per millilitre that are less than 50 micrometres in minimum dimension and greater than or equal to 10 micrometres in minimum dimension.

^g **Spills and releases to the environment (Number, Cubic meters (m³)):** The total number of oil spills to the environment (overboard), excluding contained spills.

^h **Number of calls at ports in countries that have the 20 lowest rankings in Transparency International’s Corruption Perceptions Index (CPI):** In the event that two or more countries share the 20th lowest ranking, all have been included in the scope of disclosure. The list is based on the CPI for 2025.

ⁱ **Lost time injury frequency (LTIF):** A lost time incident is an incident that results in absence from work beyond the date or shift when it occurred. Lost time incidents are Fatalities, Permanent Total Disabilities, Permanent Partial Disabilities and Lost Workday Cases. The rate is based on lost time incidents / 1,000,000 hours worked.

^j **Marine Casualties:** Regarding SASB TR-MT-540a.1, the reporting is in accordance with the standard, however injuries to personnel as described in section 1.1.1 are reported as part of Health & Safety statistics (LTIR). The threshold for reporting on material damages as outlined in 1.1.4 and 1.1.6 is defined as USD 1,000,000. Section 1.1.7 “Severe damage to the environment” is reported under ‘Ecological Impacts’ and/or “Very serious marine casualties”. Incidents concerned with oil spills, re SASB 1.1.7 “Severe damage to the environment” is covered under “ecological impact”. For an event to be reported as a marine casualty, one or several out of the below criteria must be true: (1) the loss of a person from a ship, (2) the loss, presumed loss, or abandonment of a ship, (3) the stranding or disabling of a ship that triggered a Lloyds Open Form Salvage or the involvement of a ship in a collision that would seriously endanger the safety of life or property, or (4) material damage to marine infrastructure external to a ship, that could seriously endanger the safety of the ship, another ship or an individual.

^k **Very Serious Marine Casualties:** A marine casualty involving the total loss of the ship, a death, or severe damage to the environment that is not related to oil spill. Any deaths shall be reported. If the death is decisively concluded not to have anything to do with a marine (very serious) casualty such as latent and unknown illness shall be addressed separately for a case-by-case discussion. Severe damage to the environment that is not related to oil spill is covered by “Very serious marine casualties”.

^l **Port State Control:** Number of port state control deficiencies (1) and detentions (2). Practices of port state controls reporting on deficiencies do not follow an entirely harmonised methodology making it less useful for reporting purposes without further explanations, hence we have chosen to report this number as a rate: number of deficiencies per Port State Control Inspection. Detentions are reported in number of actual cases. The figure represents number of detentions received from regional PSC organisations.

^m **Number of Conditions of Class or Recommendations:** Those conditions/recommendations of class that has led to withdrawal of vessel certificates of otherwise has invalidated the ship’s compliance are included in this figure.

ⁿ **Number of shipboard personnel:** Only the number of employees on board ships at any time is recorded, this does not reflect the aggregate number of shipboard employees during the year.

^o **Total distance travelled by vessels:** The distance (in nautical miles) travelled by all vessels during the reporting period.

^p **Operating days:** Total operating days, i.e., total number of vessel-days for active vessels during the reporting year. Active vessels are referring to vessels which were in possession of the shipowner during the reporting year.

^q **Number of assets in fleet:** Reported number of owned during the reporting year.

^r **Number of vessels port calls:** Total number of port calls during the reporting period.

SFL prepared this report with assistance from [Position Green Advisory](#)

GRI INDEX

APPLICABLE ESRs DISCLOSURES	GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: GENERAL DISCLOSURES 2021			
NA	2-1	Organisational details	Page 2. The Company's Headquarter is in Bermuda.
ESRS 2 BP-1	2-2	Entities included in the organisation's sustainability reporting	Page 2-3. Please also see 2025 Annual report
NA	2-3	Reporting period, frequency and contact point	Page 3
ESRS 2 BP-2	2-4	Restatements of information	There were no restatements of information made in the reporting period.
NA	2-5	External assurance	Partial assurance – Scope 1 CO ₂ emissions verified by DNV.
ESRS 2 SBM-1	2-6	Activities, value chain and other business relationships	Page 2
ESRS 2 SBM-1 ESRS S1-6	2-7	Employees	Page 20-24; 29
ESRS S1-7	2-8	Workers who are not employees	Page 20-24; 29
ESRS 2 GOV-1 ESRS G1-5	2-9	Governance structure and composition	Corporate Governance report in the Annual Report for 2025 and Corporate Code of Business Ethics and Conduct
NA	2-10	Nomination and selection of the highest governance body	Corporate Governance report in the Annual Report for 2025 and Corporate Code of Business Ethics and Conduct
NA	2-11	Chair of the highest governance body	Directors and Executive Officers - SFL
ESRS 2 GOV-1 ESRS 2 GOV-2 ESRS 2 SBM-3	2-12	Role of the highest governance body in overseeing the management of impacts	Page 6. Corporate Governance report in the Annual Report for 2025.
ESRS 2 GOV-1 ESRS 2 GOV-2 ESRS G1-3	2-13	Delegation of responsibility for managing impacts	Page 6-7
ESRS 2 GOV-5 ESRS 2 IRO-1	2-14	Role of the highest governance body in sustainability reporting	Page 6-7
NA	2-15	Conflicts of interest	Corporate Code of Business Ethics and Conduct
ESRS 2 GOV-2 ESRS G1-1	2-16	Communication of critical concerns	Page 22; 24
ESRS GOV-1	2-17	Collective knowledge of the highest governance body	Corporate Governance report in the Annual Report for 2025.
NA	2-18	Evaluation of the performance of the highest governance body	Corporate Governance report in the Annual Report for 2025.
ESRS GOV-3	2-19	Remuneration policies	Corporate Governance report in the Annual Report for 2025.
ESRS GOV-3	2-20	Process to determine remuneration	Corporate Governance report in the Annual Report for 2025.
ESRS S1-16	2-21	Annual total compensation ratio	Not Reported.
ESRS 2 BP-2 ESRS 2 SBM-1	2-22	Statement on sustainable development strategy	Page 6-8
Relevant policy disclosures per topic.	2-23	Policy commitments	Page 6; Corporate Governance – SFL
ESRS 2 GOV-2 ESRS S1-4 ESRS S2-1 ESRS S2-4 ESRS G1-1	2-24	Embedding policy commitments	Page 6
ESRS S1-1 ESRS S1-3 ESRS S2-1 ESRS S2-3	2-25	Processes to remediate negative impacts	Page 9-10; 14-15; 17; 19; 20-21; 23-24; 26
ESRS S1-3 ESRS S2-3 ESRS G1-1 ESRS G1-3	2-26	Mechanisms for seeking advice and raising concerns	Page 21-24; 26
ESRS 2 SBM-3 ESRS S1-17 ESRS G1-4	2-27	Compliance with laws and regulations	Page 6; 8; 22-27
NA	2-28	Membership associations	Page 8
ESRS 2 SBM-2 ESRS S1-1 ESRS S1-2 ESRS S2-1 ESRS S2-2	2-29	Approach to stakeholder engagement	Page 7
ESRS S1-8	2-30	Collective bargaining agreements	Page 23

GRI INDEX

APPLICABLE ESRs DISCLOSURES	GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: MATERIAL TOPICS 2021			
ESRS 2 BP-1 ESRS 2 IRO-1	3-1	Process to determine material topics	Page 7
ESRS 2 BP-2 ESRS 2 SBM-3	3-2	List of material topics	Page 8
MATERIAL TOPIC: DIRECT EMISSIONS			
ESRS E1-2 ESRS E1-3 ESRS E1-4	3-3	Management of material topics	Page 9
ESRS E1-6	305-1	Direct (Scope 1) GHG emissions	Page 11; 28
ESRS E1-6	305-2	Indirect (Scope 2) GHG emissions	Page 28
ESRS E1-6	305-3	Indirect (Scope 3) GHG emissions	Page 28
ESRS E2-4	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Page 18; 28
MATERIAL TOPIC: ENERGY MIX			
ESRS E1-2 ESRS E1-3 ESRS E1-4	3-3	Management of material topics	Page 13-15
ESRS E1-5	302-1	Energy consumption within the organisation	Page 28
MATERIAL TOPIC: CORRUPTION RISK			
ESRS G1-2 ESRS G1-3 ESRS G1-4	3-3	Management of material topics	Page 25-26
ESRS G1-3	205-2	Communication and training about our anti-corruption policies and procedures	Page 26
ESRS G1-4	205-3	Confirmed incidents of corruption and actions taken	Page 26
MATERIAL TOPIC: SPILLS AND RELEASES			
ESRS E2-2 ESRS E2-3	3-3	Management of material topics	Page 17
NA	306-3	Significant spills	Page 18
MATERIAL TOPIC: OCCUPATIONAL HEALTH AND SAFETY			
ESRS S1 – various ESRS S2 – various	3-3	Management of material topics	Page 20-23
ESRS S1-1	403-1	Occupational health and safety management system	Page 20
NA	403-6	Promotion of worker health	Page 20
ESRS S1-4 ESRS S1-14	403-9	Work-related injuries	Page 21; 29
MATERIAL TOPIC: DIVERSITY AND EQUAL OPPORTUNITY			
ESRS S1 – various ESRS S2 – various	3-3	Management of material topics	Page 24
ESRS S1-6 ESRS S1-9	405-1	Diversity of governance bodies and employees	Page 29
MATERIAL TOPIC: SUPPLIER SOCIAL ASSESSMENT			
ESRS G1 – various	3-3	Management of material topics	Page 27
ESRS G1-2	414-1	New suppliers that were screened using social criteria	Page 27

The mapping between ESRs Standards and GRI disclosures is based on EFRAG guidance and is provided for general informational purposes only. It represents a high-level, non-exhaustive and interpretative comparison and does not constitute a full assessment of ESRs alignment. No representation or warranty is made as to its accuracy or completeness, and it should not be relied upon to determine compliance. This report has not been prepared in accordance with CSRD and does not claim compliance with CSRD, ESRs, or any other regulatory requirements.

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