



NORDIC TANKERS



CORPORATE SOCIAL RESPONSIBILITY

**COMMUNICATION ON PROGRESS
2017**



Nordic Tankers in brief

Nordic Tankers is a fully integrated shipping company that safely transports specialized liquid products in bulk. The products we carry range from edible oils, acids, chemicals and other specialized products to lubricating oils and petroleum products. Our modern fleet of sophisticated vessels serve our customers worldwide and offer flexibility and reliable service.

Headquartered in Hellerup, north of Copenhagen in Denmark, Nordic Tankers has offices in Stamford (Connecticut US), Houston (Texas US) and Bogotá (Colombia). The Company employs about 70 employees ashore.



CSR

All our CSR activities emerge from our core business and strategy. Our ongoing CSR initiatives are based on the guiding principles of the United Nations Global Compact (UNGC) and are related to the following areas: safety, training and personal development, human & labor rights, welfare, environment, climate and anti-corruption.

We continuously strive to improve our performance within these identified areas. We communicate transparently with our stakeholders about our achievements and as with everything in Nordic Tankers, CSR challenges are met with a can-do attitude, handled in a safe manner with integrity and team-spirit at heart.



CEO statement



Well-integrated CSR initiatives are beneficial for our business, employees and stakeholders. Thereby, CSR policies and achievements are an essential part of our company, our strategy and the business we conduct on a daily basis.

Safety is our license to operate and as every year, safety was highly prioritized in 2017 in Nordic Tankers. Each of our employees is expected to be a Safety Ambassador and a role model for others.

Coping with an increased threat to cyber security, during 2017, we initiated a comprehensive project focusing on how to safeguard our company from cyber-attacks. As with every other safety threat, Nordic Tankers meets the risk of cyber-attacks with utmost importance and we acknowledge that a potential attack would harm not only Nordic Tankers, but also our stakeholders and business partners. We continue our work in this regard in 2018.

During 2017, we have worked ongoing to optimize further on our business, strategy and CSR initiatives. A goal for 2018 is to continue our development within these areas together with a strong focus on the UNGC principles.

Safety starts with us.

Sincerely,

Per Sylvester Jensen
CEO
Nordic Tankers



We endorse the United Nations Global Compact.

The Nordic Way

Our mission: *The sea is our business - together we build the future*

The sea is our business and in close partnership with our customers we build the future. There is a sea between our customers and their customers and they need our exceptional services.

The chemicals that we transport across short and long distances are also used to build the future. They end up in a long list of products for the construction industry and car manufacturing. We also use chemicals in our everyday lives, as they are part of consumer goods, pharmaceutical products and food.

Our vision: *We create exceptional value*

Our vision is to create exceptional value for all our stakeholders, including our customers, our owner, our employees and for society. We strive to create exceptional value through operational excellence, safety performance and by living our values every day.

Our values

CAN-DO

We take pride in finding safe solutions together with our customers, suppliers and partners. Through our curious and passionate mindset we always deliver at our best - that's the Nordic Way.



INTEGRITY

Integrity is the core of our culture and through integrity, we show commitment, loyalty, honesty and respect to all stakeholders of our company.



SAFETY

Safety is our top priority and we continuously develop our safety culture. To safeguard our colleagues, customers and our business, we reflect on our actions and "take 5 with a smile" before executing tasks safely.



TEAM-SPIRIT

Through teamwork we have built and maintained an empowered organisation. Our ability to establish strong relations makes us able to provide high quality service to customers and stakeholders. We share a sense of community and together we grow our business.





Policies and framework

The 2017 version of our Communication on Progress report is divided into the following guiding focus areas, which are in compliance with our overall CSR policies and ongoing business strategy.

Safety

We commit ourselves to ensure the highest safety standards for our people, vessels and the environment. Furthermore, we strive to continuously raise safety awareness and we commit to imbedding safety into our values and daily work. We constantly aim at developing on our safety culture and throughout this report we highlight safety procedures within fields of our vessels, our offices, cyber security, the environment and all matters of business procedures.

Human and labor rights

Our ongoing strategy also includes a strong focus on human and labor rights, as the safety of our employees and business partners is our first priority at all times. Ensuring that our suppliers set the same high standards in relation to human and labor rights, we refer to our 'General Purchasing Terms and Conditions' policy.

The environment

The sea is our business and we constantly aim at developing and improving work procedures that benefit the environment and climate. Among many other aspects, during 2017, Nordic Tankers focused on tank cleaning and recycling procedures and policies.

Anti-corruption

The company is committed to adherence to high legal and ethical standards in addition to applicable laws. This must be reflected in all aspects of our operation, and integrity must be present in all of our dealings and negotiations. Strengthening Nordic Tankers' safety culture, open reporting and whistleblower systems are available through our website.



Safety starts with Us

Safety is our license to operate and is embedded in Nordic Tankers' DNA. Nordic Tankers has a saying: "Safety starts with us". All employees regardless of title and work responsibilities must at all times comply with Nordic Tankers' safety policy and regulations.

A key focus area during 2017 was the continuation of the Safety Culture drive. The ambition of this initiative is to prevent all accidents, injuries and occupational illnesses through the active participation of each employee. Therefore, Nordic Tankers' safety initiatives are embedded, carried out and measured within the various departments.

Results of the Safety Culture drive include increased knowledge sharing and fewer incidents. The Company continues to invest resources in this area to reach the goal of zero incidents.

Also included is the implementation of Nordic Tankers' 'Take 5 initiative'. Every employee is a Safety Ambassador and is obliged to always act according to the card no matter if at sea or in the office. Also, pulling the card on a colleague's action in the event of a potentially unsafe operation is expected by all employees.





Cyber Security Awareness

To cope with the rising threat of cyber crime, in 2017, Nordic Tankers initiated an online cyber security training program targeted all employees. Initially, the training program included 12 modules concerning various cyber risks such as ransomware, fraud and phishing e-mails. The goal is to have as many employees as possible to complete and pass all initial modules before February 2018.

It is important for our Company's safety to ensure that all employees are up to date on cyber security, which is why new employees get access to all modules when employed. During 2018, Nordic Tankers expects new modules to be assessable for all employees.

The Cyber Security Awareness initiative is not only to safeguard our company's employees and business, as all other stakeholders would be negatively affected in case of cyber-attacks.

Office Safety - Work Environment Committee

Nordic Tankers' Work Environment Committee consists of five members from the organization and a representative from Senior Management, who were elected for a two-year period starting from April 2016.

The Committee structure meets the requirements of the Danish Act of Cooperation on Health and Safety and all members have completed the mandatory working environment education. The committee meets at least four times a year to ensure that our Company complies with health and safety requirements in the offices.

Nordic Tankers' human capital

People, Communication & Culture

Our People, Communication & Culture department manages the human capital of Nordic Tankers and hereby supports our business strategy, vision and mission.

To achieve our company vision 'We create exceptional value', we must attract the right people with the right mindset and attitude.

Shipping is a people business and people are our most valuable asset. Our HR and communication activities are consolidated in our department 'People, Communication & Culture', as we consider communication as the key to the human mind. Communication is essential in guiding and managing our people towards achievement of our common goals, and storytelling creates pride and a common understanding of why we are here and where we are heading.

Our strong company culture, based on our values, guides our behavior and makes sure our people work in accordance with our mission and vision.

Specifically, the department works to achieve the following:



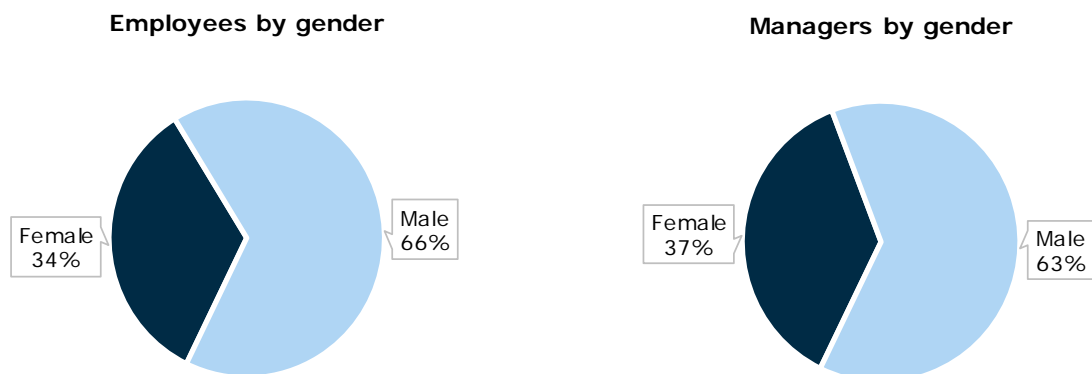
Annette B. Hasenberg, Senior Vice President, People, Communication & Culture, states:

"Our culture makes a difference in our everyday work and we believe that only with a strong company culture we are able to build bridges to our customers and operate second to none. Our department focuses on shaping strong ambassadors that are first movers within safety and take pride in living our values.

Our values represent the way we think, feel and act, and we strive to achieve best practice and maintain a winning culture. We aim at attracting, developing and retaining valuable employees as they are our company's most valuable asset."

Diversity

We aim to have a well-diversified organization both in regards to gender, age, nationality and culture. We believe that a diverse workforce is more creative and achieves better results. It is, however, Nordic Tankers' policy at all times to select the candidate with the strongest qualifications. By November 2017, Nordic Tankers' employee gender division numbers were as follows:



The comparative figures for 2016 were 29% female employees and 26% female managers.

Executive Management

The Executive Management members and the number hereof have changed in recent years in accordance to our business developments and organization restructurings. By the end of 2017, our Executive Management consisted of three members, respectively representing our commercial, financial and 'people' interests. With a strong focus on our human capital, including human and labor rights, it is necessary that these interests are included into our overall strategy and business plans. Therefore, it is essential that this priority is clearly balanced within the composition of our Executive Management members.



Executive Management team, from the left:

- *Per Sylvester Jensen, President and CEO*
- *Henriette Schütze, CFO*
- *Annette B. Hasenberg, SVP, People, Communication & Culture*



Training and future planning

Personal development and involvement of employees are key focus areas for Nordic Tankers. One way we fulfill these goals is by living the corporate values to maintain a strong and transparent company culture, where employees feel engaged and motivated.

In 2016, Nordic Tankers initiated a corporate project named One Exceptional Team (OET). Initially, the aim of the project was to streamline processes and optimize communication across work areas, departments and offices. Along the way, the OET mindset became an integral part of our culture. From the very beginning, it was important that the changes occurring from OET were initiated by the employees instead of by Management.

In 2017, key focus areas in Nordic Tankers' OET work included a continued focus on optimizing internal processes together with an increased internal knowledge of Nordic Tankers' customers and the working processes in this regard.

Every year, Nordic Tankers conducts a culture survey for all employees to complete. The survey encompasses questions on individual, departmental and organizational levels. The results of the survey are carefully taken into account in our selection of new OET key focus areas. Results from the culture survey conducted in 2017 Q1 showed improvements in terms of streamlining processes and business systems compared to results from 2016 Q1.

For 2018, the goal is to continuously optimize work processes and further empower the Company's employees in decision-makings.

Trainees and interns

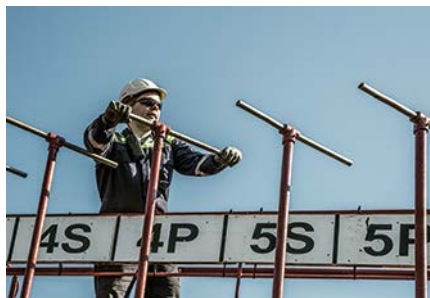
Nordic Tankers supports the Danish shipping trainee education managed by the Danish Shipping Academy under the Danish Shipowners' Association. Two trainees graduated in the summer 2017. In the summer of 2017, we took in one trainee and as from January 2018, another trainee joined Nordic Tankers.

Every year, Nordic Tankers takes in interns from the study program International Shipping and Trade from Copenhagen Business School. The students are offered to work within different departments during their internship and they are teamed up with an internal mentor, who gives them specific and relevant knowledge and introduces them to the shipping industry.

Nordic Tankers also employs student assistants on a regular basis across various departments, where they are trusted their own tasks and responsibilities to strengthen their competencies and improve their chances of entering the labor market after their graduation. When possible, we offer the student assistants permanent employments upon their graduation.

This arrangement secures continued growth of Nordic Tankers, whereas the students in return get valuable work experience, business knowledge and possibly the opportunity to obtain their first full-time job, which otherwise might be difficult in the current employment market. In this regard, Nordic Tankers helps the employees strengthening their own market value.





Human and labor rights

Ensuring acceptable working conditions is a challenge for companies such as Nordic Tankers that operates in an international and cost-competitive environment. As an international ship owner, we deal with suppliers from all over the world on a daily basis and therefore pose a series of requirements on all suppliers to live up to in regards to health and safety, labor rights and environmental control.

Nordic Tankers does not have a specific policy on human rights, but the Company's General Purchasing Terms and Conditions clearly specify demands for suppliers and their sub-contractors when it comes to human rights:

"The Supplier represents and warrants that it is not in any way involved in or related to (be it directly, indirectly, or benefitting from) any form of slavery or forced labor, human trafficking or similar actively. Furthermore, the Supplier may not withhold any part of any personnel's salary, personal documents, property or benefits to force such personnel to continue working with the Supplier. The Supplier shall treat all personnel with dignity and respect and shall not tolerate mental or physical abuse or coercion of employees. Nor may the Supplier be engaged in or benefit from child labor."

It is not the goal to draw up a policy on human rights in 2018, as Nordic Tankers believes the General Purchasing Terms and Conditions combined with our Code of Conduct to be adequate.

Vessel safety and security

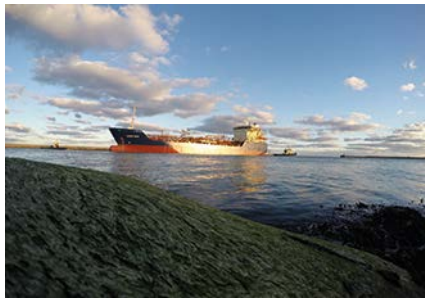
Based on our company values with safety being our first priority, we continuously strive to improve our safety culture and consider safety in everything we do, both in the office as well as on board our vessels.

Lost Time Injury (LTI)

Introduction of the safety culture program has had the positive result of decreasing the number of accidents on board our vessels. The last incident causing a Lost Time Injury (LTI), took place in August 2016. Thereby, zero LTIs happened on Nordic Tankers' vessels in 2017. This is in line with our ambition to increase safety awareness on board our vessels as well as onshore in the various offices and ultimately to work towards a Zero Incident industry.

The goal for 2018 is to reach zero LTIs on vessels and in offices owned by Nordic Tankers and its business partners.





The environment

The shipping industry is constantly working on reducing its environmental footprint, and in collaboration with industry colleagues and stakeholders, we wish to actively participate in the reduction of emissions. Therefore, we have formulated relevant policies and initiated projects enhancing Nordic Tankers' contribution to a safe and eco-friendly industry.

Recycling

Nordic Tankers operates a modern fleet, which means that the Company does not have a need to recycle ships in the near future. However, in 2017, we introduced a policy for recycling of vessels in case of relevant in the long term. Should recycling of a vessel be considered, Nordic Tankers will through a comprehensive investigation and screening process ensure that any recycling is completed in full compliance with the Hong Kong convention. Nordic Tankers will ensure that before any agreement on recycling a vessel, the nominated yard must at minimum meet following requirements:

- Comply with the Hong Kong convention
- Produce an Inventory Hazardous Material certificate issued by Class (IACS)
- Issue a Ship Recycling Plan
- Issue a Green Recycling certificate

Responsible tank cleaning

In 2012, Nordic Tankers initiated the implementation of a new tank cleaning system by using spectrometers on the Company's vessels. Applying spectrometers, we openly share particulate contents of tank washing analysis with Customers, Surveyors and Terminals. The benefits of using the equipment are in short:

- High focus on safety for the officers and the crew onboard the vessels
- A decrease of the number of man entries in tanks for wall wash and inspections
- A reduction of the amount of excessive cleaning chemicals needed and the disposal hereof, the cleaning time and unnecessary ship Co2 emissions.

A goal for 2018 is to keep developing on tank cleaning safety procedures.



Responsibility at sea

Nordic Tankers has formulated a Health, Safety and Environment (HSE) policy, which states that:

"Nordic Tankers is committed to conduct activities in a way, so that we ensure promotion of the safety and health of our employees both ashore and on board the vessels, and at the same time focus on conservation and protection of the environment."

The policy includes working towards a "zero oil spill to sea" by coordination of efforts of those ashore and on board vessels plus working towards a long-term goal of "zero accidents and incidents" by using KPIs to monitor performance. Generally, Nordic Tankers will comply with industry legislation that refers to health, safety and environment protection while focusing on global activities and ensuring continual environmental improvements through open dialogue with clients/customers. Their feedback will be used to revise existing procedures related to health, safety and environment issues.

Nordic Tankers together with Dania Ship Management actively collaborate with the Danish Ministry for Energy, Utilities and the Climate plus the Danish Technological Institute to develop a method for remote determination of Sulphur content in fuel oil on board ships. The project is named "Remote sensing of Sulphur and particle emission from ships" and was commenced in 2016.

A permanent sniffer has been installed on the Great Belt Bridge, which will be able to check the sulphur content in the exhaust gas emissions from the ships passing underneath and thereby, monitor the sulphur content in the fuel oil used onboard. The requirement for sulphur content in board fuel oil in the North Sea, Baltic Sea and US territory is a maximum 0.1%.

The role of Nordic Tankers in this regard is during the trial period to report whenever one of the Company's vessels will pass the Great Belt Bridge in order to monitor the exhaust gas fan and eventually be able to do the sulphur measuring from the bridge.

On an annual basis, Nordic Tankers reports its fuel oil consumption on vessels to Danish Shipping. The fuel oil consumption can easily be converted to actual CO2 emissions, which, together with information about cargo intake and sailing distance, can be converted to CO2 emissions per transport work. From January 1 2018, the new EU legislation, Monitoring, Reporting and Verification (MRV), regarding CO2 emissions from ships entered into force and replaced the reporting to Danish Shipping. In 2017, Nordic Tankers has implemented systems to ensure reporting is done in full compliance with the new legislation.

General Purchasing Terms and Conditions

In addition to the HSE policy, the General Purchasing Terms and Conditions of Nordic Tankers clearly specify demands for suppliers and their sub-contractors when it comes to the environment:

"The Supplier, including their Sub-contractors, is considered interested parties and as such shall be aware of the Buyer's concern for the Environment and the requirements in complying with ISO14001. When economically viable alternatives are available, The Supplier shall give preference to recycled, reusable or otherwise environmentally friendly products."

The Supplier guarantees that Goods do not contain asbestos, and the Supplier shall save, protect, indemnify and hold the Buyer harmless for any loss, damage and costs for such breach."

Anti-corruption policies

Anti-corruption

Corruption has been identified as one of the world's greatest challenges when it comes to reduction of poverty, which is one of the UN millennium goals. The UN has sharpened their focus on corruption as it has a negative impact on countries, communities and businesses impeding economic growth and sustainable development. We are committed to ensure adherence to high legal and ethical standards in addition to all applicable laws. This is reflected in all aspects of our operations. Integrity must be present in all our dealings. Consequently, the directors, officers and employees of our company must refrain from offering, promising, giving, demanding or accepting an advantage as a motivation for an illegal or unethical action.

As a global Company in the maritime industry, Nordic Tankers is firmly committed to adherence to high ethical standards in addition to applicable laws hereunder anti-corruption. Nordic Tankers has an anti-corruption policy, which states that:

"It is an integral part of our values and how we do business that Nordic Tankers acts with integrity and complies with all applicable laws. (...) Therefore, no employee of Nordic Tankers may be involved in corruption, as already set out in our Code of Conduct. Nordic Tankers applies international rules and standards regarding facilitation payments (defined as a payment of minor value for a service, which we are already entitled to and should not have to pay for). We want to avoid making facilitation payments, and we have adopted procedures to resist paying in such."



All Nordic Tankers employees must on a regular basis complete the Nordic Tankers Anti-Corruption e-learning program developed in cooperation with MACN. A goal for 2018 is that the Company's anti-corruption e-learning program will become an integrated part of the onboarding process to ensure that all employees are informed of the policy.

Anti-money laundry

In 2016, Nordic Tankers implemented an Anti-Money Laundering (AML) Policy and Guidelines that further elaborated on the policy statement set out in the Company's CoC. This states that:

"Nordic Tankers will not participate in any form of money laundering, and no member of management or any employee may facilitate, support, directly or indirectly, any payment or transfer of money, which is likely to constitute money laundering."

The responsibility to avoid Nordic Tankers getting involved in any money laundering or dubious transaction applies to all employees and involves all departments and throughout the entire activity chain from the choice of customer or business partner all the way to the execution of payments.

The new policy and guidelines include a financial background check of customers/vendors plus a sanctions background check. It was the goal for 2017 that all employees were acquainted with the new policy and guidelines. All employees have received a copy of the policy plus the training necessary to identify the warning signs of money laundering and financial crime, thus marking 100% achievements.

Whistleblowing and open reporting

Nordic Tankers has two reporting systems by which employees ashore and at sea plus external parties have the opportunity to report violations and policies of law.

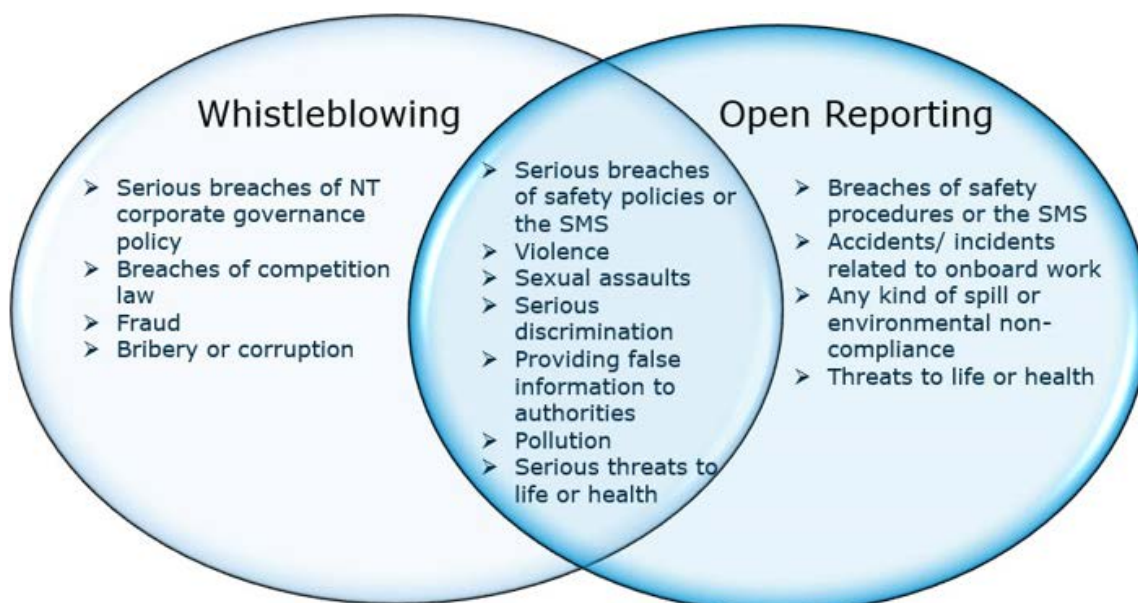
Nordic Tankers has a Whistleblowing Policy, which states:

"When somebody violates a law or internal Nordic Tankers policies he or she places Nordic Tankers and possibly customers of / or colleagues in Nordic Tankers at risk. Therefore, Nordic Tankers has implemented this whistleblowing policy and whistleblowing system (the "WBS") which applies worldwide to all Nordic Tankers companies (including Herning Shipping companies) worldwide."

Nordic Tankers' WBS is visible and assessable through our website.

Besides a whistleblowing system, Nordic Tankers has an Open Reporting system for non-compliance issues and other marine violations in general concerning Health, Safety, Quality and Environment. Open Reporting system should be applied in case of breaches of safety procedures, accidents/incidents related to onboard work and any kind of spill or environmental non-compliance.

Open Reporting is available through Nordic Tankers' website.



Across all areas

The International Marine Purchasing Association (IMPA) is an exclusive community of ship purchasers and suppliers working to become sustainability frontrunners by working towards compliance with internationally endorsed standards. The IMPA ACT is an independent initiative of the IMPA that seeks to improve the economic, social and environmental compliance of its ship purchaser and supplier members. The IMPA ACT represents international best practice and is aligned with UN principles.



Nordic Tankers' Communication on Progress 2017

Being an ambitious company, we constantly strive to improve our CSR performances and initiatives based on the guiding principles of the United Nations Global Compact (UNGC).

During 2017, we developed on several CSR initiatives relevant to the UNGC. We look forward to continuing our work concerning safety, human & labor rights, the environment and anti-corruption during 2018.