



NORDIC TANKERS



CORPORATE SOCIAL RESPONSIBILITY 2018

This report includes reporting on the Danish Financial Statements Act (99a and 99b) and Communication on Progress for the United Nations Global Compact.

NORDIC TANKERS IN BRIEF

Nordic Tankers is a fully integrated shipping company that operates a fleet of sophisticated chemical tankers. The products we carry range from edible oils, acids, chemicals and other specialized products to lubricating oils and petroleum products.

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 approximately 65 employees ashore.

Nordic Tankers' modern fleet of sophisticated vessels serve our customers worldwide and offer flexibility and reliable service. As per December 31 2018, Nordic Tankers operated a fleet of vessels composed of five owned vessels, nine chartered vessels and three third-party owned vessels under commercial management. These vessels are in the segment between 14,000 and 20,000 dwt and are all equipped with stainless steel tanks. Most of the vessels have multiple tank segregations, which make them well suited for parcel trading. Furthermore, four of the vessels are ice-class, enabling Nordic Tankers to service trade lanes in the Great Lakes and Baltic Sea all year round.

The cargoes transported by Nordic Tankers' fleet consist of a wide range of products for industrial use, and efficient and safe handling of the cargoes is a major focus for Nordic Tankers. During 2018, Nordic Tankers' fleet (incl. third-party vessels in pool) performed 230 voyages and carried 3.0 million metric tons of cargoes, composed of 26% hydrocarbons, 35% industrial chemicals, 25% vegetable oil and 14% in other categories. 83% of this volume was carried by owned tonnage while third-party tonnage carried 17%.

In Nordic Tankers, we build our business on long-term customer relationships and exhaustive knowledge of the trade lanes where the company is present mainly in the Americas, Europe and in the Atlantic trade.

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' policies and regulations. Fundamental for our safety culture is 'Take five with a smile'. This initiative includes five steps on how to ensure safety both on board our vessels and in our offices.



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 *Safety, Team Spirit, Integrity and Can-do*

Our values are not only words that we print on a poster. We are a company where we truly live our values of Safety, Integrity, Can-do and Team Spirit. That means that we have a strong company culture, where we go that extra mile for customers and colleagues while always thinking safety first. We call it the Nordic Way.



CEO statement



We take pride in creating exceptional value to customers, and well-integrated CSR initiatives are an essential part of our company and strategy to the benefit of our business, employees, stakeholders and the society.

In 2018, we introduced the Sustainable Development Goals to the organization. Based on thorough work, we have mapped three main goals that we consider relevant for our company and industry, which also cover areas that we are able to influence: Good health and well-being (goal 3), Climate action (goal 13) and Life below water (goal 14).

During 2019, Nordic Tankers will intensify our CSR work within these three areas.

Safety is our license to operate and is our top priority in all aspects of our business. During 2018, we continued to have a strong focus on optimizing our safety procedures and finding innovative ways of ensuring safety at all times.

Safety starts with us.

Sincerely,
Per Sylvester Jensen
CEO
Nordic Tankers



We endorse the United Nations Global Compact.



CSR

Nordic Tankers CSR activities emerge from the core business and strategy. The 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.

In Nordic Tankers, we continuously strive to improve our performance within these identified areas. The communication with stakeholders about our achievements is transparent and as with everything else in Nordic Tankers, CSR challenges are met with a can-do attitude, handled in a safe manner with integrity and team spirit at heart.

Nordic Tankers' annual CSR report is divided into the following areas, which comply with our company's overall CSR policies and ongoing business strategy:

- **UN Sustainable Development Goals (SDGs)**
- **The environment**
- **Anti-corruption**
- **Human & labor rights**
- **Social responsibilities**
- **Across all areas**

UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Nordic Tankers supports the SDGs and we are convinced that the goals pose a useful framework for our company's ongoing CSR work.

In 2018, we initiated the preliminary work on aligning Nordic Tankers' CSR efforts according to the SDGs. With point of departure in our business strategy and CSR policies, we have pointed out three goals that cover our current CSR initiatives. Below is an overview of some of the relevant initiatives that Nordic Tankers currently work on. The initiatives will be further explained throughout this report.



- **Goal 3** Good health and well-being

Nordic Tankers works actively to improve general health and well-being. Continued reduction of discharges to the sea as well as reduction of air emission will result in an improved environment for the benefit of the general health. Nordic Tankers is further setting requirements for suppliers within ship design, construction and scrapping to respect labor rights and safety practices.

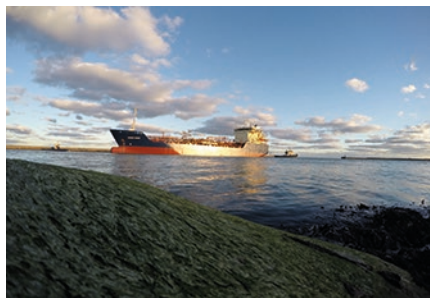
- **Goal 13** Climate action

Nordic Tankers is firmly committed to reduce CO2 emissions from ships. By improved energy efficiency within our operation and by setting requirements for suppliers within ship design and construction for low- or zero-carbon ships, a reduction of GHG emission can be achieved.

- **Goal 14** Life below water

Nordic Tankers supports initiatives that protect the oceans such as the Ballast Water Convention, bio fouling measures as well as the MARPOL convention, to conserve and sustainably use the oceans, seas and marine resources in a respectful manner.

In 2019, Nordic Tankers' aim is to continue to develop our work within these three areas.



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 our 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 meet the following requirements, at a minimum:

- 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

A goal for Nordic Tankers is to maintain a modern fleet. As of December 31 2018, our company's average fleet age was 9.1 years. During 2019, Nordic Tankers will take delivery of three newbuildings. The expected average fleet age for our current fleet (incl. the three newbuildings) for December 31 2019 will be 8.8 years.

CO2 emission - Efficiency Operational Indicator (EEOI)

Nordic Tankers is committed to monitor, review and improve our environmental performance. By operation of a relatively young fleet and replacement of older tonnage with younger, the fuel efficiency improves year by year. Nordic Tankers measures the environmental performance by using the voluntary IMO guidelines of ship Energy Efficiency Operational Indicator (EEOI).

- EEOI for 2017 was 21.39 gram CO2/ton cargo/nautical mile
- EEOI for 2018 was 17.38 gram CO2/ ton cargo/nautical mile

This results in a reduction of 19% from 2017 to 2018. With three newbuildings entering our fleet in 2019, we expect that the EEOI will improve even further in 2019.

Responsible tank cleaning

In 2012, Nordic Tankers initiated the implementation of a new tank cleaning system by using spectrometers on Nordic Tankers' 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

A major focus during 2018 was to optimize the data handling process.

A goal for 2019 is to keep developing on tank cleaning safety procedures with the use of spectrometers. Further, our aim is to extend the use of spectrometers to as many business partners as possible as well as to encourage our colleagues within the industry to move in the same direction.

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 for the environment."

The policy includes the work 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 our subsidiary, 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 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.

As from January 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 implemented systems to ensure reporting is done in full compliance with the new legislation.

In December 2018, the funding from the authorities was renewed, which means that Nordic Tankers in 2019 will continue participating in the project.

General Purchasing Terms and Conditions

In addition to the HSC policy, the General Purchasing Terms and Conditions of Nordic Tankers clearly specifies 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

Corruption has been identified as one of the world's biggest 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 operation and 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.

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."

Nordic Tankers uses an anti-corruption e-learning program developed in cooperation with MACN. The training has been completed in the organization before, however, during Q1 of 2019, all employees must complete the anti-corruption e-learning training program. The training is mandatory for all employees, regardless of how many times they previously have completed the training.



Anti-money laundering

In 2016, Nordic Tankers implemented an Anti-Money Laundering (AML) Policy and Guidelines that further elaborated on the policy statement set out in our Code of Conduct. 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 policy and guidelines include a financial background check of customers/vendors plus a sanctions background check.

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.

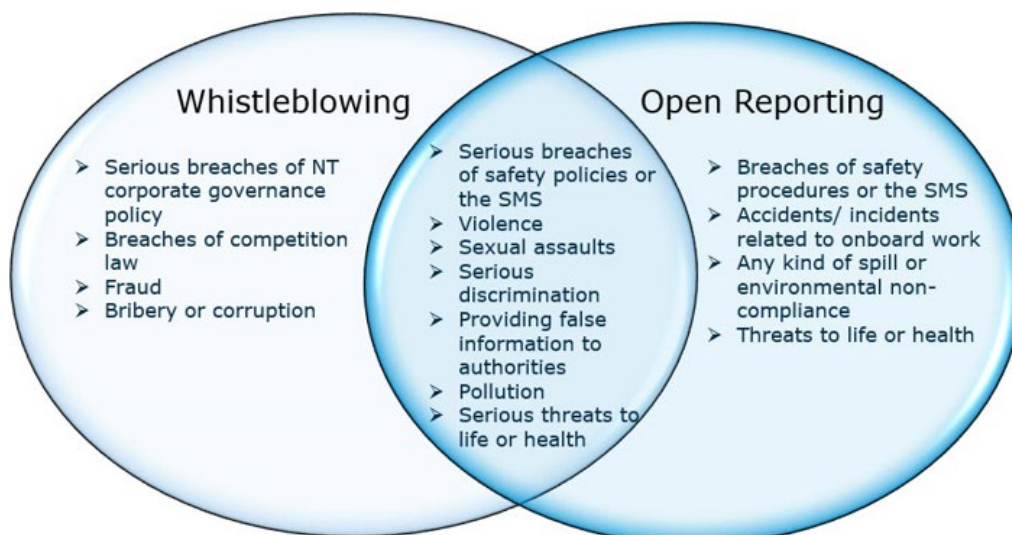
Nordic Tankers has a Whistleblowing Policy, which states:

"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 (...) 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. The open reporting system should be applied in case of breaches of safety procedures, accidents/incidents related to onboard work at any kind of spill or environmental non-compliance.

Open reporting is available through Nordic Tankers' website.





HUMAN AND LABOR RIGHTS

Our ongoing strategy 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'.

General Purchasing Terms and Conditions

Operating in an international and cost-competitive environment, Nordic Tankers is fully aware of the importance of ensuring acceptable working conditions across all areas. 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 line up in regards to health and safety, labor rights and environmental control.

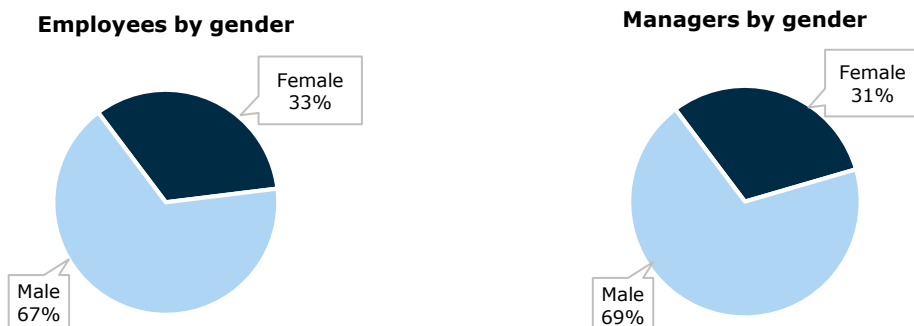
Nordic Tankers does not have a specific policy on human rights, but the company's General Purchasing Terms and Conditions clearly specify demands for suppliers and their sub-contractors when it comes to human rights:

"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 2019, as Nordic Tankers estimates the General Purchasing Terms and Conditions combined with our Code of Conduct to be adequate.

Diversity

As part of our recruitment strategy, we aim to have a well-diversified organization both in regards to gender, age, nationality and culture. We are convinced 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. As of November 2018, Nordic Tankers' employee gender division numbers were as follows (headcounts only):



The comparative figures for 2017 were 34 % female employees and 37 % female managers.

Lost Time Incident (LTI)

As safety is our number one priority, we have a zero accident policy. The last incident causing a Lost Time Incident (LTI) took place in August 2016. Thereby, the zero accidents target was reached on Nordic Tankers' owned vessels in 2017 and 2018.

The goal for 2019 is to reach zero LTIs on vessels and in offices owned by Nordic Tankers and its business partners.



SOCIAL RESPONSIBILITIES

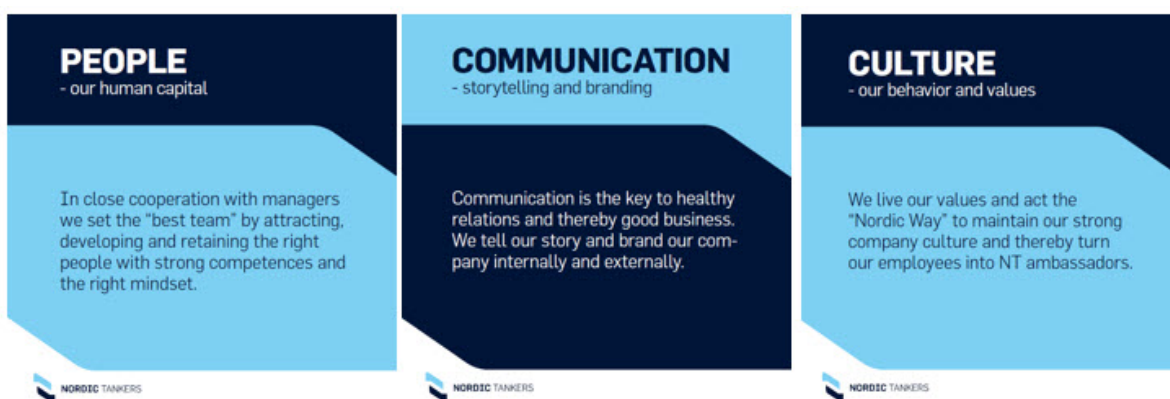
Our People, Communication & Culture department

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's 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 the 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 and Culture states:

"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 the best practice to the benefit of our customers. Attracting, developing and retaining skilled employees with the right mindset is essential for Nordic Tankers in the aim of delivering exceptional value to our business partners."

Executive Management

The Executive Management members and the number hereof have changed in recent years in accordance to our business developments and organizational restructurings. As of the end of 2018, the Executive Management consisted of three members, respectively representing our commercial, financial and organizational 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 & 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 2018, 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. Further, we had a strong focus on improving our knowledge of our customers' needs, hence, enabling our organization to deliver an even more targeted service to customers.

For 2019, the goal is to continuously optimize work processes and further empower Nordic Tankers' employees in decision-makings while also proceeding our work in relation to customer knowledge.

Trainees and interns

Nordic Tankers supports the Danish shipping trainee education managed by the Danish Shipping Academy under the Danish Ship-owners' Association.

As of January 2019, Nordic Tankers employs two trainees, one graduating in the summer of 2019 and one graduating in the summer of 2020. The trainees rotate 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.

Whenever relevant, Nordic Tankers takes in interns from the study program International Shipping and Trade from Copenhagen Business School.

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 competences and improve their chances of entering into 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.

We see the arrangement as a win-win situation. Nordic Tankers employs employees in the beginning of their careers including trainees, interns, student assistants and newly graduates. These employees can contribute with valuable, innovative and digital insights and they supplement our well-experienced employees in an advantageous way for the benefit of the entire company.

Together we build the future.

ACROSS ALL AREAS

The International Marine Purchasing Association

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 the UN principles.

Cyber security awareness

In Nordic Tankers, we see cybercrime as a threat to our entire value chain, as both customers, stakeholders, employees, business partners and society potentially would be impacted of a cyberattack against Nordic Tankers.

To cope with the rising threat of cybercrime, in 2017, Nordic Tankers initiated an online cyber security training program targeted all employees. In 2018, we expanded the training program to also include GDPR training, to create awareness on how we ensure GDPR compliance at all times. Going forward, all employees must complete the cyber security training on a regular basis.

A goal for 2019 is to continue a strong focus on cybercrime by continuing to keep developing our IT safety procedures while also ensuring that all employees are well equipped and informed of current threats.

Office safety

Nordic Tankers' Work Environment Committee consists of three members from the organization and a representative from Senior Management.

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.

Social responsibilities outside the office

Every year, Nordic Tankers carefully considers how to allocate external donations to ensure valuable social outcomes of these. In 2017, we made a donation for, among others, the Danish Cancer Society. Nordic Tankers has several times donated to the organization, as the company argues that the Danish Cancer Society is a non-political organization, which concern many Danish citizens.

A goal for 2019 is to continue to support organizations that we find valuable for society.

NORDIC TANKERS GOING FORWARD

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 2018, 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 2019.

