



# CSR

at Clipper

Clipper Group CSR Report 2018





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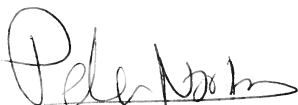
# CEO STATEMENT

For Clipper, sustainability and ethical principles are an integral part of our daily operations, business strategy and organizational culture. Our CSR activities are rooted in our CSR Policy and participation in the UN Global Compact. We continue to support the UN Global Compact and are committed to the initiative and its principles. We strive to make a positive impact and have set up specific goals to track progress.

In last year's report, I mentioned that our 2018-2020 CSR Strategy was under development. 2018 turned out to be an eventful and busy year, filled with overseeing the implementation of several organizational changes. Among others, we wrapped up the final details of the partnership between Clipper Fleet Management and Dania Ship Management and consolidated our business into two main areas: bulk and ro-ro. Unfortunately, handling all these changes has meant that we were not able to develop a new CSR Strategy as planned. We have, therefore, decided to extend our 2015-2017 strategy to 2018 as well, and allocate proper time and resources in 2019 to develop a 2019-2021 CSR Strategy.

There are a few major changes in the content of the current report. For the first time, we include an introduction of Seatruck, our freight ferry services provider on the Irish Sea. Seatruck will be a permanent addition to our CSR reports going forward allowing us to set goals we can start tracking and reporting on from 2019 onwards.

Clipper's 2019-2021 CSR strategy is under development. It will reflect on our ongoing efforts to make a positive impact as a globally operating shipping company.



Peter Norborg  
Group CEO  
Clipper Group

This report is our statutory reporting on CSR, cf. §99a and §99b of the Danish Financial Statements Act, and our communication of progress to UN Global Compact for year 2018.

# SUSTAINABLE DEVELOPMENT GOALS

Shipping is an international industry with a large impact on the environment and societies around the world. As an industry leader in dry bulk shipping, we acknowledge our impact and strive to contribute to the UN's Sustainable Development Goals (SDGs) adopted in 2015. We believe that the following goals are particularly relevant to us. While we do not report specifically on each of the four goals, we see them as within the scope of our business model and current CSR strategy.



**Goal no. 2 – End hunger, achieve food security and improved nutrition and promote sustainable agriculture.** Agro products such as grain are among our most important cargo types, and we actively participate in facilitating world trade and global development. In 2018, agricultural products and fertilizers accounted for about 45% of the cargo we transported.



**Goal no. 9 – Build resilient infrastructure, promote inclusive and sustainable economic industrialization and foster innovation.** As a shipping company dealing with raw materials and global trade, this goal is highly relevant to us. On the one hand, we are part of building the world's infrastructure at sea. On the other hand, we transport products like steel and cement used in the building and production industries. Steel products accounted for 11% of the cargo we transported in 2018.



**Goal no. 13 – Take urgent action to combat climate change and its impacts.** Although shipping is the most environmentally friendly mean of mass transportation when it comes to CO2 emissions per transported ton, our industry stands for about 2-3% of global CO2 emissions. Clipper supports the climate policy developed by Danish Shipping, which takes an ambitious CO2 approach for the global shipping sector.



**Goal no. 14 – Conserve and sustainably use the oceans, seas and marine resources for sustainable development.** This is a highly relevant goal to a shipping company and closely related to our general climate approach. We follow the Ballast Water Management Convention and actively work towards installing BWT systems on our ro-ro vessels.





# CLIPPER GROUP BUSINESS MODEL

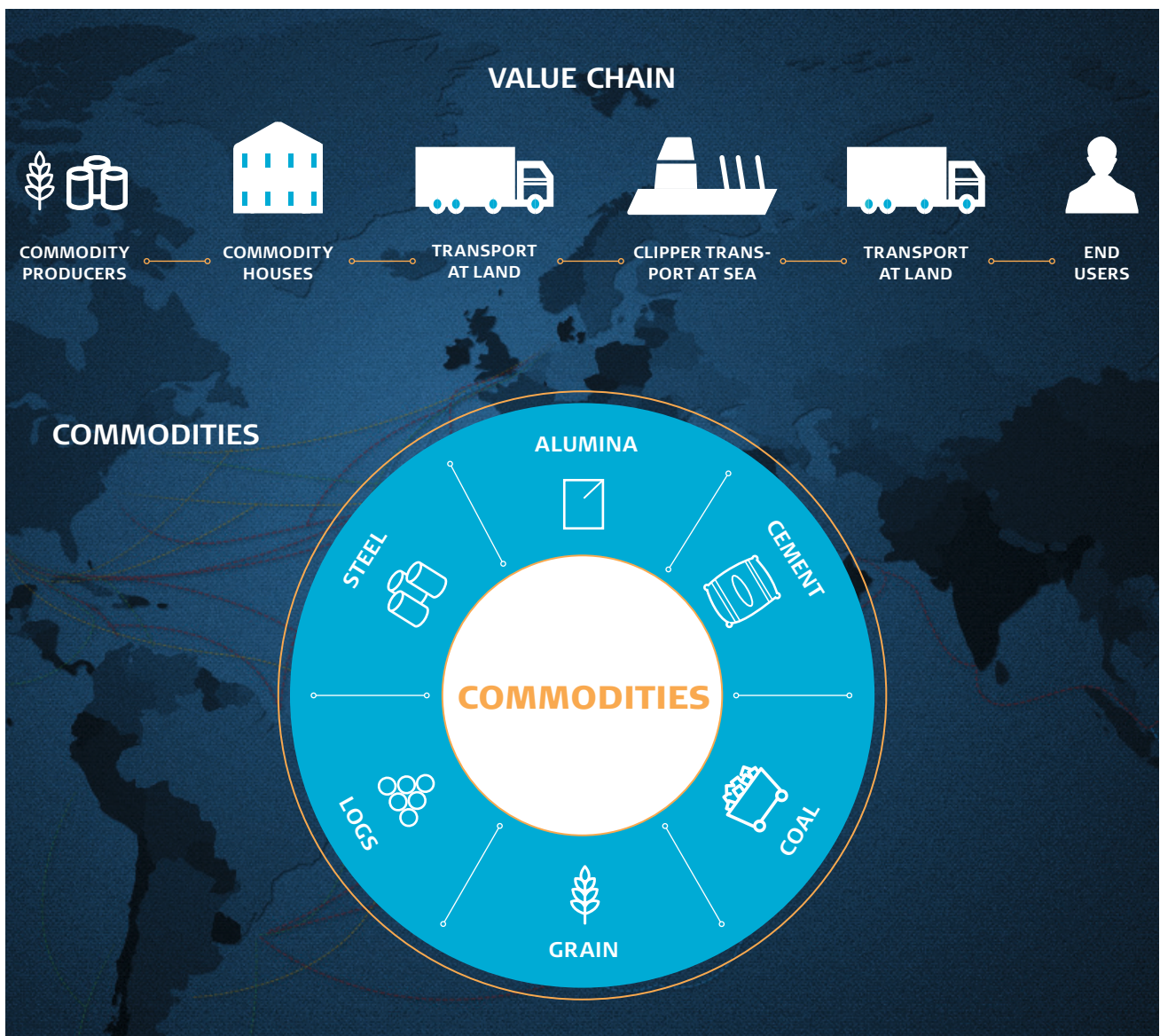
Our core business areas are dry bulk and ro-ro.

## CLIPPER DRY BULK

Clipper Group operates around 130 handysize and supramax vessels. Long-term partnerships with clients, investors, technical and commercial managers and many others support our broad base of competencies, and we take pride in the fact that many of our partnerships go back more than 20 years.

Clipper's customer base spans from large commodity houses to single commodity producers and end users.

Our customers benefit from our strong focus on risk management and cost effective coverage. With an increased focus on short term contracts and spot fixtures, we monitor the market closely and use analytics to support our decision making. Governed by our strong values, our talented people focus on relationships and data to make the best market calls and deliver reliable and dedicated services.

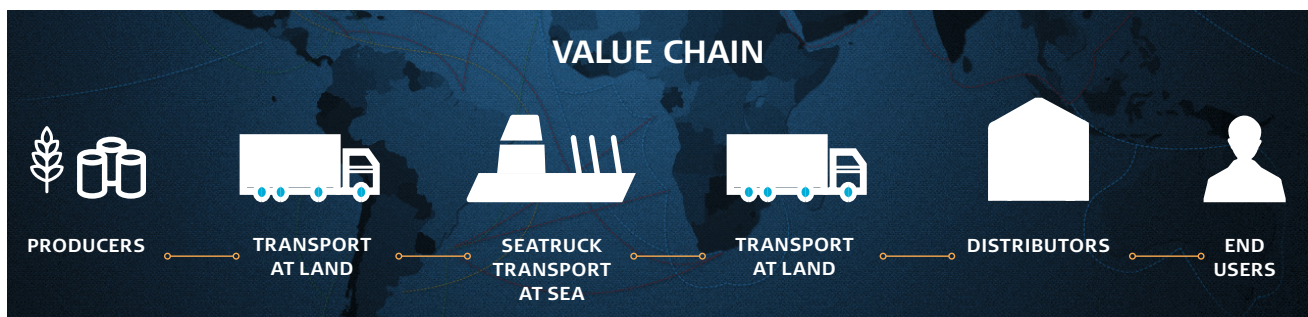


## RO-RO

Seatruck Ferries operates high quality freight-only ferry services on the Irish Sea, with three routes operating 78 departures per week. Seatruck specializes in the movement of unaccompanied trailers, which allows their owners to make more efficient use of their equipment and drivers. Using Seatruck provides customers with significant

road mileage and environmental benefits compared to the more traditional road transit through Scotland or Wales.

Seatruck invested in seven newly built vessels, all designed specifically for Irish Sea trade, allowing us to provide efficient and quality services to our customers.



## KEY CSR RISKS AT CLIPPER

CSR RISKS	CLIPPER'S APPROACH
<ul style="list-style-type: none"> <li>• <b>CO2 emissions</b> As a global shipping company, we recognize our impact on the environment and CO2 emissions.</li> </ul>	<p>Environment Policy. Danish Shipping Climate Policy.</p>
<ul style="list-style-type: none"> <li>• <b>Working conditions at shipyards</b> There are concerns related to the safety and working conditions of workers at shipyards.</li> </ul>	<p>Ship Recycling Policy. Close cooperation with technical managers responsible for dry-docking Clipper operated vessels.</p>
<ul style="list-style-type: none"> <li>• <b>Corruption at ports</b> The Captain and/or our agents may have difficulties dealing with local authorities and may be asked for bribes or other small payments for the vessel to be allowed through.</li> </ul>	<p>Anti-corruption policy, including anti-corruption training of staff. Active member of MACN, taking part in several anti-corruption initiatives.</p>
<ul style="list-style-type: none"> <li>• <b>Seafarers' human rights</b> As operator, Clipper may not be aware of potential human rights violations or poor working conditions for the crews onboard our operated vessels.</li> </ul>	<p>Include a clause in our Charter Party agreement stipulating fair working conditions and respecting the seafarers' human rights in accordance with IMEC (International Maritime Employers' Council), ITF (International Transport Workers' Federation) or similar organizations.</p>
<ul style="list-style-type: none"> <li>• <b>Suppliers</b> It is important for Clipper to conduct business with ethically minded business partners.</li> </ul>	<p>Create a Supplier Code of Conduct.</p>

# CSR ACTIVITIES AND REPORTING AT CLIPPER

## We build our CSR activities upon our CSR Policy and our participation in the UN Global Compact.

We describe our CSR activities and set our goals in our CSR Strategy. In this year's report we cover employee satisfaction, measures to reduce our environmental impact and comply with international regulations, as well as anti-corruption training. In the following, we will report and comment on our progress within these areas.

The present report covers the four main areas of the 10 UNGC principles, which make up the structure of our CSR Strategy: Human Rights, Labor, Environment and Climate and Anti-Corruption. In our strategy, we have merged the areas Human Rights and Labor as we see these areas as very much interconnected. Our CSR Strategy for 2019-21 is currently being prepared and we expect to focus further on supply chain management among other topics.

## CLIPPER CSR POLICY

As a significant player in the maritime industry with a global presence at sea and on shore, we recognize our social and environmental responsibility:

- We never compromise the safety of our employees at sea or ashore
- We recognize our responsibility towards the environment, and endeavor to constantly reduce our environmental footprint

# HUMAN RIGHTS & LABOR STANDARDS

Clipper supports and respects the protection of human rights, on board our vessels, in our offices and in society in general. Human rights are an integrated part of our decision making and it is vital for us that our employees' human rights are protected. This is especially relevant in the shipping industry when it comes to safety, the right to join trade unions, reasonable limitation of working hours, holidays with pay, and protection against discrimination.

## WORKING IN OFFICES

It is important for Clipper to be an attractive workplace. We do our utmost to secure fair working conditions in all our locations and benchmark this at least once a year. In many countries we offer more holiday than is our legal obligation as this is one of the areas where we want global alignment.

Our employees appreciate Clipper's working culture, which offers them empowerment and responsibility from day one. We also focus on professional development and all Clipper employees have annual appraisals with their managers to secure continuous professional development.

Towards the end of 2018, Clipper employed 240 people in our offices in 8 countries. Of these, 95 worked at our Copenhagen headquarters.

### Group guideline and lokal working conditions

Clipper has a global working guideline that applies to all employees and local working conditions for the several offices across the world. These documents serve as a code of conduct for all Clipper employees, with the purpose of aligning employees to Clipper's way of doing business, also expressed through our four values: Dynamic, Dependable, Innovative, and Hands-on. It is important to us that our employees adopt the same responsible mindset and are involved in our sustainability efforts.

### Data privacy

We take our employees' right to privacy very seriously. We have been following the GDPR requirements closely and work constantly on ensuring we are compliant. It is important to us that our employees know we take every measure we can to protect their personal data from being misused. We have developed several informational materials to create awareness around the GDPR and the measures we take in order to be compliant, which have been shared with our employees.

### Workplace assessment survey results

We focus on the attraction and retention of highly skilled and motivated staff. To make our ambitions credible and effective, we need to know the opinion of our employees, and strive to measure our employee satisfaction in several ways. We continuously maintain a close contact between managers and HR to always know the temperature of the different teams worldwide.

In 2018, we conducted a workplace assessment survey (the Danish APV) in our Copenhagen office. Although we did not have a group-wide organizational survey, the staff in our Danish office make up a large percentage of our employees worldwide and we therefore deem it relevant to share the results in this report. The workplace assessment survey did not follow the same structure as the previous organizational surveys we have executed, which is why we do not report on areas like satisfaction, loyalty, engagement, and reputation as we previously have. This time the questions concerned day-to-day work life, relationship with the team and direct manager, and the physical work environment.

The overall results of our 2018 workplace assessment survey have been very positive. We have scored well above 8.5 on main indicators such as responsibility, team work, relationship with direct manager and the ability to carry out one’s tasks. We are content to be able to keep a highly motivated and dedicated staff, despite a number of organizational changes throughout 2017 and 2018. We expect to continue to monitor employee satisfaction, as it is very important for Clipper to remain an attractive workplace.

One of the questions concerned “equal career opportunities regardless of gender”. Our goal 9.0 (on a 1-10 scale)

### CLIPPER DIVERSITY POLICY

- We believe that diversity at all levels of the organization gives us the largest possible recruitment base and creates an innovative and inclusive work environment
- We always take diversity into account when recruiting and promoting employees
- Encouraging diversity is also about providing equal opportunities for all candidates and ensuring that the right person is always chosen for the job, based on his/her capabilities and without taking his/her gender, sexual orientation, nationality, religion, race or political opinion into consideration

has not been reached yet, but the score of 8.5 indicated no grave problems with equal gender opportunities in Clipper. We continue to follow our action plan for increasing the number of women in shipping.

### Diversity / Women in management

To us, diversity is good business. By applying diversity at all levels of the organization, we ensure that we utilize the potential in both current and coming employees. We provide equal opportunities for everyone and ensure that a position is always filled with the best candidate, based on her or his capabilities.

As a global shipping company, we especially pride ourselves in our international mindset when it comes to talent

ACTION PLAN: TRAINEES	ACTION PLAN: CHARTERING & OPERATION MANAGERS	ACTION PLAN: MANAGERS & LEADERS
<p><b>Goal</b></p> <ul style="list-style-type: none"> <li>• Take in the same number of male and female trainees, on average.</li> </ul> <p><b>Attraction</b></p> <ul style="list-style-type: none"> <li>• Wording and visuals in job ads etc. less masculine.</li> </ul> <p><b>Retention</b></p> <ul style="list-style-type: none"> <li>• Present an alternative to locker room culture: Team up female trainees with other female employees (same floor/ office), until critical mass is obtained</li> <li>• Introduce alternative staff club events.</li> <li>• Provide female trainees with female mentors</li> </ul>	<p><b>Goal</b></p> <ul style="list-style-type: none"> <li>• Create a critical mass of female Chartering/Operations Managers.</li> </ul> <p><b>Attraction</b></p> <ul style="list-style-type: none"> <li>• Wording and visuals in job ads etc. less masculine.</li> <li>• When recruiting, at least one female candidate should be invited to first interview.</li> </ul> <p><b>Retention</b></p> <ul style="list-style-type: none"> <li>• Kill the myth: Shipping is a business for (true) men.</li> <li>• Present an alternative to locker room culture: Hook up female trainees with other female employees, until critical mass is obtained.</li> <li>• Introduce alternative staff club events.</li> </ul>	<p><b>Goal</b></p> <ul style="list-style-type: none"> <li>• Percentage of female managers should equal percentage of female employees.</li> </ul> <p><b>Attraction</b></p> <ul style="list-style-type: none"> <li>• When recruiting for management or board positions, at least one female candidate should be invited to first interview.</li> </ul> <p><b>Retention</b></p> <ul style="list-style-type: none"> <li>• Mentoring scheme.</li> <li>• Active role models (when such exist).</li> </ul>



engagement and acquisition. We encourage candidates with different backgrounds and of different nationalities to join Clipper, as we recognize that in our current globalized world, talent is no longer confined by physical borders.

For the last three years, we have worked on increasing the number of women in management, but always with an eye to our above belief, that a position should be filled with the best candidate based on her or his capabilities and not gender. We have therefore secured that in all recruitment processes, we select relevant female and male candidates for interviews. We also strive to ensure that there are no barriers within Clipper that hinder women from joining or being promoted due to their gender. Female underrepresentation is however a challenge not only for Clipper, but for the entire shipping industry.

We had set the ambitious goal that 25% of our people managers shall be female by the end of 2018, but did not see progress, and the share of female people managers in Clipper is 11.1%. This should be compared to the overall share of female employees in Clipper, which end 2018 was 31% (an increase from 30.1% in 2017) across the organization, including traditionally male-dominated departments such as operations, chartering, and tonnage procurement.

As a company currently with only little growth, we have few natural changes at management level, and it was not possible for us to achieve our goal by end 2018. We will revise this goal in our 2019-2021 CSR Strategy, so it provides a more realistic account in line with the current company status. We will continue to focus on increasing the number of female employees at entry level positions, including trainees, where one of three hired shipping trainees in 2018 is female.

#### Female board members

In accordance with Danish legislation, the shareholders and board of Clipper Group A/S have set the goal that one female board member shall be appointed before the end of year 2016. The board currently consists of 4 male board members. The goal has not been fulfilled as there has not been a need to replace any of the 4 board members during the target period.

Clipper Group A/S adopted a recruitment policy for board members in 2016. The policy states that the Chairman shall propose at least one female candidate for vacant board positions. The chairman of the board has throughout the target period had meetings with potential female candidates in order to be better able to propose a female candidate for the shareholders once a board position becomes vacant.

The shareholders and the board of Clipper Group A/S have decided that the target period for appointing 1 female board member shall be extended to the end of 2019.

## SEATRUCK

### Workplace flexibility

Flexibility in the workplace is becoming an important value for employees worldwide. Recognizing the need for flexibility, Seatruck offers flexible working conditions for its administrative staff, trusting them to do their jobs when and how they know best. The onshore team at Seatruck counts around 20 employees, which makes it easier to promote remote working and flexible working hours.

### Trainee education

Clipper participates in the shipping trainee education managed by the Danish Shipping Academy under Danish Shipping, and we are represented on the steering committee of the Academy. In September 2018, we took in three new trainees, who are now following a rotation program in various departments in Clipper as well as their education within the Danish Shipping Academy.

In addition to our first and second year Shipping Trainees, we had in 2018 an intern from the Bachelor in International Shipping & Trade at Copenhagen Business School doing his internship at Clipper, as well as a finance trainee and two IT trainees following trainee programs similar to the shipping trainees with rotations and school. Of our nine trainees in 2018, three were female and six male.

## SEATRUCK & LOCAL COMMUNITIES OUTREACH

Seatruck is an active member of the UK Chamber of Shipping, as well as a member of Newry and Mourne Chamber of Commerce. Seatruck CEO, Alistair Eagles, is a member of the Lancaster Chamber of Commerce promoting the local area and working towards increasing business in the area. Additionally, Seatruck is an active member of Mersey Maritime, focusing on promoting employment in the maritime sector.

Besides the business-oriented communities, Seatruck is also involved in several social and local interest groups, such as the Newry Historic Ships group. Seatruck also supports the Lancaster homeless shelter and Newry Hospice. In addition, we are involved with planning local school trips for GCSE (General Certificate of Secondary Education) and A-level business studies students and sponsor the East Coast Adventure youth development mountain bike team.



### Employee retention rate

Retention rate is another important measure of employee satisfaction and engagement. It can vary quite substantially from month to month, team to team and country to country. In December 2018, Clipper's overall retention rate was 86.4%, meaning that 13.6% of our employees chose to leave in 2018. This is a slight increase from 2017 (90.9%), but still satisfactory.

The retention rate measures the percentage of employees still working for Clipper after 12 months, and thereby how large a part chooses to resign.

### WORKING ON VESSELS

Clipper's fleet consists of vessels that are either owned, chartered or managed by Clipper Group.

In late 2017, Clipper and Dania Ship Management, part of V.Group, entered a strategic partnership between Clipper Fleet Management and Dania Ship Management. The partnership became effective on December 19, 2017 and continued under the name Dania Ship Management

Bulk A/S. Going forward Clipper will therefore only have internal technical management for our ro-ro vessels.

This transition, however, does not affect our care and commitment to the safety and rights of the crew members onboard Clipper operated vessels. We continue to follow international regulations concerning human rights and expect the same from our partners.

### GOING FORWARD: at sea and on shore

- Continue to comply with international regulations
- Report on Seatruck
- Work closer with employee engagement
- Involve more employees and leaders in the local communities in all of our offices by participating in charity or volunteering events





## Responsible ship recycling

We wish to ensure that any recycling of Clipper's vessels is done in a responsible way safeguarding the environment and the workers working on the recycling. Following our experience with the recycling of the multi-purpose vessel M/V Clipper Concord in 2015, we formulated a Recycling Policy in December 2015 for future reference. The policy is available on [clipper-group.com](http://clipper-group.com). We do not expect to recycle any more vessels in the near future.



# ENVIRONMENT AND CLIMATE

Although shipping is the eco-friendliest form of mass long-distance transportation, we do acknowledge our environmental impact and recognize that the global challenge of climate management and CO2 emissions for the shipping industry requires a global approach. Clipper fully supports the measures and efforts of the United Nations International Maritime Organization, IMO. We strive to constantly increase energy and fuel efficiency for our fleet and follow the international environmental regulations closely.

## Improved vessel performance with COACH Solutions

We use COACH Solutions vessel performance monitoring to track performance and to monitor individual vessels with the purpose of improving fuel consumption. In 2017, COACH Solutions implemented a new reporting tool, Microsoft Power BI, into its online portal. This makes it possible for us to get an even quicker overview of our fleet and any issues needing action.

## Fuel efficiency

The fuel used for propulsion is the single largest contributor to a vessels' environmental footprint. It is our aim that our vessels operate at optimal speed at all times, i.e. consuming as little fuel as possible while taking cost vs. available time into consideration. Our vessels' speed and consumption are closely monitored by COACH Solutions, which is installed on a vast majority of the vessels in Clipper's commercial management and pools. Apart from speed and consumption, many additional parameters are monitored in COACH Solutions, allowing us to identify abnormally high energy use and take appropriate actions.

## Weather Routing

We use COACH Solutions' Voyage Optimization tool to obtain full control over planning, budgeting and performing voyages. The Voyage Optimization tool uses forecasted weather, TCE and the vessel's actual performance to calculate the optimal route, resulting in a much more accurate calculation of ETA and thus using as little fuel as possible, minimizing our environmental footprint.

## Review of speed percentage

By monitoring the daily reporting of speed and consumption (speed percentage), we can ensure that we note and can react upon any deviations in a vessel's performance. Such deviations can for example be an indication of a fouled hull or a misaligned engine.

A new or newly dry-docked vessel has a speed percentage of 100%, and the closer the speed percentage is to 100%, the better the vessel is performing. In Clipper, we use COACH Solutions to monitor speed percentage.

## Consumption of electricity on vessels

By monitoring the daily electrical load on board our vessels, we can train the crew to switch off equipment when not needed. This is a tangible way to involve our staff in reducing a vessel's environmental footprint. In Clipper, we use COACH Solutions to monitor excess electricity consumption.

### COACH SUSTAINABILITY TIPS:

#### Stop the over lubrication of cylinders

By continuously monitoring the key performance indicators, COACH Solutions can observe unusually high cylinder lubrication oil consumption in the large 2-stroke main engines.

If too little lubrication oil is injected in the cylinders, the engine is naturally in danger of overheating and wear that can result in expensive stoppage time. However, overlubrication is an even bigger problem as cylinder lubrication oil causes pollution, cylinder liner wear and loss of fresh unused lubrication oil, which is expensive to purchase.

With help from COACH Solutions, it's possible to keep the lubrication oil consumption at optimum level, for the benefit of both the environment and the vessel. COACH Solutions also helps in creating a culture where both the crew and superintendents can discard the old belief that it's better to lubricate too much than too little.

## Climate Policy by Danish Shipping

We fully support the Danish Shipping Climate Policy. The policy is based on a detailed study on "CO2 Emissions from Global Shipping – possible reduction targets and their associated pathways", commissioned by Danish Shipping and undertaken by the London-based consultancy agency UMAS.

According to this policy, international shipping must reduce its absolute CO2 emissions in pace with the rest of the global economy. Shipping's emissions should be reduced sufficiently, thereby contributing with its "fair share" to the Paris Agreement's goal of staying below a 2-degree temperature rise. It should be the task of IMO (International Maritime Organization within the UN) to ensure the regulation and enforcement of this goal.

## SEATRUCK & ENVIRONMENT

Seatruck's business model places environment at its core. By promoting long sea unaccompanied freight services on the Irish Sea, Seatruck contributes to reducing road mileage and carbon emissions, when compared with transit through Wales and Scotland.

To inspire an environmentally conscious mindset to its staff, Seatruck has introduced a 'Cycle to Work' scheme, encouraging employees to reduce their environmental footprint by embracing an environmentally friendly alternative to commuting to work.

In 2018, we have successfully implemented the new EU reporting system for CO2 emission, MRV (Monitoring, Reporting, Verifying), as well as the IMO DCS (Data Collection System) for the vessels in Clipper's pools. As such, the 2018 emission data has been validated and successfully audited by an independent verifier in March 2019. The 2018 audited data will be uploaded on EU's website THETIS by end of April 2019.

Starting 2019 and onwards, the EU MRV, SEEMP I (Ship Energy Efficiency Management Plan Part I) & SEEMP II (Ship Energy Efficiency Management Plan Part II) plans will be issued by V.Group company, V Insight, and approved by the classification society and LRQA (Lloyd's Register Quality Assurance).

### Ballast Water Management Convention

Apart from the CO2 emission goals, ballast water treatment continued to be at the top of the environmental agenda in shipping in 2018. The latest developments in the IMO Ballast Water Management Convention basically mean that all vessels should have Ballast Water Treatment (BWT) systems installed in connection with a dry-docking taking place after September 2019 to minimize the global spreading of invasive species.

So far only a few BWT systems have been approved both by the IMO and the US Coast Guard, and future investments are considerable. BWT systems have already been installed on most of our ro-ro vessels.

### Sulphur Cap 2020

A Ship Implementation Plan is being developed for each Clipper vessel to prepare for the new 0.5% global Sulphur cap on fuel content enforced by IMO starting January 1st, 2020. The plan will assist in deciding on bunker agreements for each vessel and tests for fuel tank cleaning by chemicals are being conducted. It is expected that all tanks will be cleaned in this manner, in order to be prepared for the Low Sulphur Fuel Oil and Low Sulphur Marine Gasoil prior to January 1st, 2020. The plans are



expected to be ready by spring 2019 and potential modifications to be done afterwards. All vessels are expected to comply with the Sulphur Cap 2020 by Q4 2019.

## GOING FORWARD

- Continue to invest in smarter shipping technology, as it has been proven that this is not only good for the environment, but for the bottom line too
- Keep complying with national and international regulations.
- Promote environmentally-friendly local initiatives in Clipper offices.

# ANTI-CORRUPTION

**As an international shipping company, we are exposed to requests for facility payments and other corrupt practices.**

Our anti-corruption policy adopted in 2012 confirms that we have a zero tolerance towards traditional bribery such as kickbacks. Facility payments (small payments for services that the company is already entitled to) are a separate challenge, and given some of the areas we operate in, we are not yet able to implement a zero-tolerance policy in this regard. In some areas of the world, facility payments are an integrated part of the social structure and a zero-tolerance policy would create several irresolvable deadlock situations.

## Anti-corruption training program

We have chosen to actively fight facility payments in whatever form or shape those appear. In 2015, we commenced a global anti-corruption training program for all our employees on shore as well as Senior Officers. The training material and an online test were developed by the Maritime Anti-Corruption Network (MACN), of which Clipper continues to be an active member.

Anti-corruption training continued in 2018. Although we trained only a small number of onshore employees, we are glad to be able to report that we have now overall trained 41% of the Group's staff. We will continue our training efforts going forward; despite no longer having an in-house technical management team, it is important to us that our commercial departments receive anti-corruption training too.

## GOING FORWARD

- Continue anti-corruption training
- Collaborate further with MACN and other relevant organizations on anti-corruption projects
- Include an anti-corruption clause in our charter party agreements.

## MACN COLLABORATION IN THE FIGHT AGAINST CORRUPTION

As an active member of MACN, Clipper supports its initiatives and efforts in fighting corruption and bribery. We can mention two of its projects, in Argentina and India respectively, that Clipper endorsed.

### Regulatory framework for dry bulk shipping

In 2017, MACN announced that its collective action in Argentina had resulted in the successful adoption of a new regulatory framework for dry bulk shipping. During 2018, according to MACN data submitted by members of MACN, corruption incidents in Argentina had decreased by more than 90 percent. This decrease is a clear consequence of the work done by MACN and its members.

### Port Integrity Campaign

MACN prepared to launch a pilot project called "Port Integrity Campaign" in India during December 2018 to fight increasing incidents involving corrupt behavior from authorities. MACN representatives will visit governments, embassies, and national associations, and aim to have a toolkit ready the week after these visits. The toolkit will be piloted in the Mumbai region initially, but MACN aims to expand the campaign throughout India. This Indian pilot project will continue during 2019.



# CLIPPER GROUP CSR GOALS 2015-18

## UN GLOBAL COMPACT

Sign up for UN Global Compact during 2015.

**2015:** Participation prepared  
**2016:** Joined Jan 2016  
**2017:** UNGC Participant  
**2018:** Prepare format for and file annual communication on progress in 2015, 2016 and 2017  
**2015:** Format prepared  
**2016:** Filed May 2017  
**2017:** Filed May 2018  
**2018:** **Filed May 2019**



WE SUPPORT

## HUMAN RIGHTS AND LABOR STANDARDS

### DIVERSITY/WOMEN IN MANAGEMENT

33% of all employees shall be female (end 2018).

**2015:** 32%  
**2016:** 28%  
**2017:** 30,1%  
**End 2018:** **31%**

25% of all people managers shall be female (end 2018).

**2015:** 14%  
**2016:** 12%  
**2017:** 12,5%  
**End 2018:** **11.1%**

1 female member shall be nominated to the Board of Clipper Group A/S by the end of 2019.

**2014 / 2015 / 2016 / 2017 :** 0 female members  
**End 2018:** **0**

In Organizational Survey, rating of question "In Clipper, we have equal career opportunities regardless of gender" shall increase to 9.0 end 2017 (overall). In addition, the gap between male and female rating of this question shall decrease.

	2015 / 2016 / 2017	2018
<b>All employees</b>	8.4 / 8.3 / n/a	<b>8.5</b>
<b>Female</b>	8.1 / 7.0 / n/a	<b>n/a</b>
<b>Male</b>	8.5 / 8.5 / n/a	<b>n/a</b>

### EMPLOYEE SATISFACTION

Carry out organizational surveys in 2015, 2016 2017, and 2018.

**2015:** Carried out Sep 2015  
**2016:** Carried out Sep 2016  
**2017:** No survey

**2018: Carried out in Denmark**

Maintain ratings of above 8.0 on all 4 objective indicators. In 2018, the survey had different indicators as focus areas.

	2015 / 2016 / 2017	2018
<b>Satisfaction</b>	8.2 / 8.3 / n/a	<b>n/a</b>
<b>Loyalty</b>	8.2 / 8.3 / n/a	<b>n/a</b>
<b>Engagement</b>	9.1 / 9.0 / n/a	<b>n/a</b>
<b>Reputation</b>	8.5 / 8.5 / n/a	<b>n/a</b>

### RETENTION RATE ON SHORE

On shore employee retention >90 in 2015, 2016, 2017 & 2018.

**2015:** 93.8%  
**2016:** 91.1%  
**2017:** 90.9%  
**End 2018:** **86.4%**

**TRAINEE EDUCATION**



Hire min. 2 shipping trainees/year of which min. 1 female.

**2015:** None hired in 2015  
**2016:** 3 hired, 1 female  
**2017:** 2 hired, 1 female

**2018:** **3 hired, 1 female**

All admitted shipping trainees must graduate.

**2015:** 1 of 2 trainees graduated Sep 2015  
**2016:** 3 of 3 trainees graduated Sep 2016  
**2017:** 0 of 0 trainees graduated Sep 2017

**2018:** **3 out of 3**

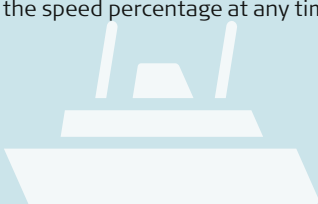
**ENVIRONMENT**

**REVIEW OF SPEED PERCENTAGE**

Continue to monitor, analyze and take action on deviations in the speed percentage at any time.

**2015:** 96.4%  
**2016:** 95.0%  
**2017:** 94.0%

**2018:** **n/a**



**ANTI-CORRUPTION**

**ANTI-CORRUPTION TRAINING**

Carry out training of all employees on shore and senior officers on vessels in our technical management.

**2015:** 33 on shore  
**2016:** 42 on shore, 22 senior officers  
**2017:** 15 on shore, 152 senior officers

**2018:** **41%**  
of all staff trained

**CONSUMPTION OF ELECTRICITY**

Average consumption of electricity on vessel to decrease for each of the years 2015, 2016 and 2017.

**2015:** 2.2% reduction  
**2016:** 1.1% increase  
**2017:** 0.3% increase

**2018:** **n/a**

**MACN MEMBERSHIP**

Continue active membership of MACN.

**2015:** Active membership  
**2016:** Active membership  
**2017:** Active membership

**2018:** **Active membership**