



# OUR RESPONSIBILITY 2019





# OUR RESPONSIBILITY HIGHLIGHTS



## SUSTAINABLE DEVELOPMENT GOALS

TORM remains committed to taking an active role in caring for communities and our environment. It is not just our shared duty, but our shared responsibility. Therefore, TORM continues the work to combat carbon, sulfur and other emissions and remains committed to enabling quality education, as this is a matter of concern for TORM and its employees. We believe that by having all involved stakeholders working together on this, great results can be achieved.

### GENDER DIVERSITY

**34% WOMEN**  
IN THE SHORE-BASED  
WORKFORCE

**22% WOMEN**  
IN LEADERSHIP  
POSITIONS



**93 SCHOLARS**  
**SUPPORTED**  
BY TORM AND OUR  
EDUCATION FOUNDATION

**0.42**  
**LOST TIME**  
**ACCIDENT**  
**FREQUENCY**  
**IN 2019**

### FUEL EFFICIENCY IMPROVEMENT



RESULTS

**9.3%**

compared to 2015 baseline



TARGET

**1%**

Additional savings



# STATEMENT BY THE EXECUTIVE DIRECTOR



TORM regards responsible behavior as a central part of the Company, of how we do business and of the mindset of our employees. TORM remains committed to protecting employees, environment, reputation and assets by maintaining the highest possible standards.

**Mr. Jacob Meldgaard, Executive Director**

## ONE TORM SAFETY CULTURE

In line with the Company's strategic focus on safety performance, TORM continued to promote the safety culture program *One TORM Safety Culture - driving resilience* in 2019. The purpose of the program is to continuously strengthen TORM's safety culture beyond mere compliance.

## CLIMATE AND ENVIRONMENTAL EFFORTS

In 2009, TORM signed the UN Global Compact as the first shipping company in Denmark to commit to the internationally recognized set of principles regarding health, safety, labor rights, environmental protection and anti-corruption. TORM has decided to have specific focus on Sustainable Development Goal (SDG) no. 4 Quality Education and on SDG no. 13 Climate Action, as these directly link to the Company's current corporate activities. These two areas are not only material to the Company and its stakeholders, the efforts and initiatives also make good business sense to TORM. As such, TORM sees its commitment to contributing to and reporting on the SDGs as a natural progression of its commitment to the UN Global Compact.

In September 2019, TORM signed up for the Getting to Zero Coalition. TORM has decided to be an active member supporting the efforts to make commercially viable zero-emission vessels a scalable reality by 2030. The initiative is supported by leading stakeholders from the maritime industry and the fuel value chain in addition to other large international corporations within sectors spanning wider than shipping. Our support to the coalition also enables us to be agile if changes are made to the climate and environmental regulation in the future.

TORM's management is committed to responsible behavior and continues its support of the principles of the UN Global Compact. Our sustainability performance is important to our stakeholders and our company. We confirm the performance stated in this report.



Mr. Jacob Meldgaard  
Executive Director



# OUR RESPONSIBILITY

## PRINCIPLES

Transparency and accountability are central parts of TORM's way of doing business, and these values play a central role in the Company's corporate social responsibility (CSR) approach.

TORM's approach to responsible behavior is further rooted in the Company's Business Principles which have the following five objectives:

- Maintaining a good and safe workplace
- Reducing environmental impact
- Respecting people
- Doing business responsibly
- Ensuring transparency

For further information on TORM's Business Principles, please visit:

[www.torm.com/uploads/media\\_items/torm-business-principles.original.pdf](http://www.torm.com/uploads/media_items/torm-business-principles.original.pdf).

TORM's CSR commitment is not limited to the Company's own business practices, as real impact often requires industry collaboration. Thus, TORM cooperates with peers and stakeholders to increase responsibility in the shipping industry and the supply chain and to mitigate protectionism and support progressive trade agreements. This is performed via TORM's cooperation with Danish Shipping and companies all over the world to support global trade and economic growth.

As an active member of Danish Shipping and a number of committees within that organization and as co-founder and member of the Maritime Anti-Corruption Network, TORM strives to increase transparency and accountability and to minimize corruption.

This report, Our Responsibility, constitutes TORM's CSR reporting according to the requirements of UK law. Read more about TORM and the CSR efforts at [www.torm.com/csr-at-torm](http://www.torm.com/csr-at-torm).

As part of the Company's commitment to the UN Global Compact, TORM submits its communication on progress every year.



# ENVIRONMENTAL EFFORTS



**TORM supports SDG no. 13 Climate Action, as marine pollution constitutes the largest environmental risk within the shipping industry.**

It is therefore a key priority for TORM as a Reference Company to minimize pollution of the seas and the atmosphere.

To actively contribute to the industry emissions reduction plans, TORM stepped up our involvement in industry collaborations such as the innovation partnership, ShippingLab. A non-profit platform for maritime research, development and innovation with 30 partners from across the maritime industry to drive smart shipping of the future.

In 2019, TORM joined the Getting to Zero Coalition along with other powerful industry leaders. The purpose of this alliance is to lead the push for shipping’s decarbonization with the mutual goal of having commercially viable zero-emission vessels operating along deep-sea trade routes by 2030. The coalition is a partnership between the Global Maritime Forum, the Friends of Ocean Action and the World Economic Forum. The coalition is supported by more than 100 public and private organizations.

## FUEL CONSUMPTION AND ENERGY EFFICIENCY

In 2019, TORM has continued to have a strong and dedicated focus on reducing fuel consumption. The

efforts made within this area generated a positive result as can be seen in the Green House Gas Emissions table on page 8.

TORM’s Operational Performance Team continues to share the performance of each vessel with the respective vessel managers and vessels on a monthly basis.

In 2019, TORM continued to refine an initiative introduced in 2017 and 2018 to engage the vessels on a daily basis to encourage best practice behavior with regard to power and fuel consumption. The efforts in this area ensure that corrective actions can be taken swiftly, when needed. In 2019, TORM added human resources to this function, and consequently we have seen a tremendous improvement.

Fuel consumption for cargo operations is a focus area that has developed during 2019, and we therefore strive to implement meaningful KPIs. It has become clear that the subject is very complex, and deeper studies are necessary to obtain meaningful KPIs in this field.

In 2019, TORM added resources to put additional focus on energy-efficient voyage execution by including weather and timing of arrival in a more holistic evaluation. This is progressing within the Operations team.

Investing in and implementing well-proven technologies will allow TORM to concentrate its efforts on achieving the potential that lies outside the boundaries of behavioral activities. TORM is also testing a number of innovative projects with regard to optimizing machinery and use of the latest technology is prioritized in our effort to reduce energy consumption in our fleet.

TORM continues to focus on continuously improving the hull condition of its vessels. During 2019, two vessels were taken out of service between scheduled dry-dockings for short four-to-six-day dockings. During these dockings, the hull coatings were renewed, resulting in significant fuel consumption reductions.

TORM maintains a constant focus on fuel efficiency across the fleet. This serves the dual purpose of minimizing environmental impact and making good business sense. By maintaining the strong focus on fuel consumption reductions in 2019, TORM achieved fuel efficiency improvements of 9.3% compared to the 2015 baseline. The target for 2020 is to improve fuel efficiency by another 1%.

# 9.3%

**Fuel efficiency improvement**





# ENVIRONMENTAL EFFORTS

Efforts to reduce the Company's carbon footprint also cover emissions from air travel by the shore-based organization. TORM strives to minimize this by using available technologies such as video conferencing to the extent possible, e.g. in connection with meetings across the Company's eight offices.

## BALLAST WATER

Ballast water is taken on by the vessel to stabilize trim and optimize operational efficiency. The discharge of ballast water may introduce non-native species into the recipient marine ecosystem, thereby disturbing the local maritime ecosystem and endangering indigenous species. To alleviate this threat and to prevent the invasion of non-indigenous species in alien waters, TORM complies with the stipulations of the IMO Ballast Water Management Convention.

## OFFICE EMISSIONS

Office emissions are included from TORM's offices in Copenhagen, Mumbai, New Delhi, Singapore, Manila, Cebu and Houston. Emissions from TORM's office in London are not included as data is currently unavailable. Emissions from air travel are included for all office staff and crew. Data from vessels is collected according to a specific reporting routine, mainly on a monthly basis but for certain data with less frequency. Other environmental data is collected on an annual basis. Safety data is based on reporting made to TORM's Safety, Quality and Environmental Department whenever an incident occurs.

## ENGAGED EMPLOYEES MAKING A DIFFERENCE

In 2019, TORM Philippines, in partnership with the City Environment & Natural Resources Office (CENRO), organized a mangrove tree planting activity on the coast of Calatagan.

The goal of the activity was to spread awareness of the importance of mangroves. Mangrove forests serve as nature's barrier to protect coastal communities from storm surges and shoreline erosion.

TORM employees organized this activity, and 50 volunteers signed up for the event. The participants, composed of TORM employees and their families, left the office early in the morning to coincide with the low tides on the day. To reach the planting site, the team walked approximately 500 meters out into the open sea. With much enthusiasm and perseverance, the team was able to plant 2,200 mangrove propagules.



# ENVIRONMENT - REPORTING

Environmental and social data is based on all vessels under TORM's technical management (vessels for which TORM holds the Document of Compliance). Having the technical management of a vessel implies having control over the vessel in terms of environmental performance and crew. As of end December 2019, TORM had 73 vessels under technical management compared to 72 vessels as of end December 2018.

## REPORTING GUIDELINES

The 2019 greenhouse gas emissions (GHG) reporting covers scope 1 (direct emissions from own production), scope 2 (emissions from own production but others' emissions) of the Greenhouse Gas Protocol except for the activities listed below and selected aspects of scope 3 (others' production and emissions services) activities.

- Scope 1  
Consumption of bunker oil has been calculated to CO<sub>2</sub> emissions using IMO's factors for heavy fuel oil and marine gas oil. Emissions are calculated for each single vessel and then consolidated. Numbers under the scope 1 data sheet have been collected on board the vessels or at the offices. The collection is based on actual usage or disposals.

- Scope 2  
Emissions from heating (district heating) in the Copenhagen and US offices are calculated using Danish and World Resources Institute emission factors.
- Scope 3  
Emissions from air travel are provided by TORM's travel agent.
- Other principles  
2019 greenhouse gas emissions are calculated for vessels in technical management (vessels for which TORM holds the Document of Compliance) in TORM, amounting to a total of 891 vessel months of operation.

Cargo transport work (ton-nm) is calculated using the actual cargo multiplied by the distance with actual cargo; thus, a ballast voyage will give 0 (zero) in ton-nm. CO<sub>2</sub> emission per ton-nm is the full CO<sub>2</sub> emissions on board all vessels divided by the ton-nm for all voyages; thus, it includes emissions from ballast voyages, electricity production, inserting, cargo operations, etc.





# GREEN HOUSE GAS EMISSIONS DATA

	2019	2018
<b>VESSEL EMISSIONS AND INDICATORS</b>		
Number of vessels in operation at the end of the year (in technical management)	73	72
Number of vessel months (one vessel one year equals 12 vessel months)	891	932
Used heavy fuel oil (ton)	348,972	375,196*
Used low-sulfur heavy fuel oil (ton)	12,174	152
Used marine gas oil (ton)	55,374	64,255*
Generated CO <sub>2</sub> emissions from vessels (ton)	1,301,722	1,374,835*
Distance sailed (nautical miles)	4,045,457	4,129,589*
Average cargo on board (ton)	36,628	36,914*
Cargo transport work (ton-nautical miles)	114,715,104,800	112,462,924,810*
CO <sub>2</sub> emissions in grams per ton-nautical miles (one ton of cargo transported one nautical mile)	11.35	12.22*
<b>OFFICE EMISSIONS AND INDICATORS (ELECTRICITY AND HEATING)</b>		
Electricity used in office locations (kWh)	702,850	823,844
District heating (Gj)	1,423	1,326
Generated CO <sub>2</sub> emissions from office locations (ton)	488	525
Number of office employees at the end of the year	341	309
CO <sub>2</sub> emissions per employee (ton)	1.4	1.7
<b>FLIGHT EMISSIONS AND INDICATORS</b>		
Air mileage (km)	56,173,910	80,192,490
Number of travels	10,263	13,401

\* Numbers adjusted due to increased data quality and verification process.



# SUPPORTING QUALITY EDUCATION



**TORM is a long-standing supporter of maritime education in Denmark, India and the Philippines, and it is therefore natural for the Company to support SDG no. 4 Quality Education.**

This commitment reflects the Company’s ties to local communities and has a positive effect on the needs of the societies in which TORM operates and where many of the Company’s seafarers come from.

In addition, TORM believes that supporting education has positive effects on its core business in terms of developing the pipeline of competences in the industry and in terms of higher employee retention and a positive brand recognition.

TORM is therefore dedicated to supporting SDG no. 4 Quality Education and cooperates with several educational institutions and universities internationally.

In Denmark and Singapore, the efforts include offering trainee positions in TORM’s offices to students from Copenhagen Business School, the Copenhagen School of Marine Engineering & Technology Management and the Nanyang Technological University Singapore.

The majority of TORM’s seafarers are of Indian or Filipino nationality, and the Company’s activities in these areas are thus supporting potential future TORM employees and strengthening the overall competence level among seafarers in these regions.

## EDUCATION FOUNDATION

TORM Philippines runs educational development actions through the TORM Philippines Education Foundation which has been helping Philippine communities since 2007. In 2019, 25 students supported by the TORM Philippines Education Foundation graduated from scholarships.

For the school year 2019/2020, the foundation supports 58 scholars across the Philippines with half at various colleges and universities and the other half with apprentices within maritime courses.

Thanks to a close collaboration between TORM, our education foundation and Department of Education Division Office of Mountain Province, a new classroom with toilet was constructed and inaugurated under the Adopt-A-School Program. 45 students from kindergarten to Grade six can now receive school training.

In addition to the scholarships, the education foundation ran a number of social development initiatives in 2019. ‘Trainers of scholars’- graduates trained in Training of Trainers and Facilitators was conducted to 33 Grade 7- 8 students of San Roque National High School of Bulalacao, Oriental Mindoro.

Another social development initiative was the construction of a basketball court and donation of sport equipment for basketball, volleyball, taekwondo

and more. This was funded by employees of TORM in Denmark as part of a Christmas donation initiative.

Scholars’ Community Outreach Project in Magabta, Kabugao, Apayao, provided provisions such as school kits to 60 daycare and elementary students, and also the repainting of the daycare center, handout of medicine kits and learning resources. Additionally, former students supported by the foundation decided to donate a water tank to Addang Elementary School, Paracelis, as the school only had access to water via a hosepipe from a water source uphill from the school site.

Essential computer training was also conducted to 40 teachers and staff of Santos E. Conag National High School in Esperanza, Masbate.





# SUPPORTING QUALITY EDUCATION

In India, TORM has funded specific projects towards local social challenges. Starting in 2018, TORM India engaged with SMPARC, BAIF Development Research Foundation and Akshayshakti towards various CSR initiatives.

Since 2016, TORM India has supported the building of the ZP Prathmik School in Zedgewadi, near Pune, India. The school was constructed, and the facilities were furnished with donations from the Company.

Through SAMPARC, TORM India is sponsoring 35 students to attend the school. In addition to education fees, TORM India assists them with their regular needs. TORM India is also actively considering renovation of the town hall for SAMPARC Bhaje. This will enhance the extra-curricular activities for girls staying there and augment the infrastructure for multi-use.

In 2018, in coordination with Akshayshakti and with TORM India's support, construction of an additional toilet and bathing block for the female students of 'Swami Vivekananda School Girls' hostel' was carried out. This will greatly encourage more girls to attend school. As a continued project, TORM supported the 'V Promote Education' project with the distribution of 100,000 notebooks to nearly 350 schools in 2019.

With BAIF, an organization dedicated to upgrading and providing rural infrastructure, TORM India has constructed a water tank for regular use by school kids and villagers.

TORM India is also looking to partner with SWADESH Foundation, which is aimed at focusing on reverse

migration of people who moved to the cities in search of jobs due to financial needs. SWADESH upgrades their skills, provides opportunities to create sustainable financial models and migrates people back to villages. This creates a good eco-balance and, in turn, upgrades villages to become more self-sustainable.



# HEALTH, SAFETY AND SECURITY

**Approximately 90% of TORM's employees work at sea, and providing healthy, safe and secure working conditions for them is an essential part of TORM's business. In addition, it is TORM's belief that a safe and secure working environment supports the overall performance level and employee retention.**

Respecting employees' human rights is pivotal to the Company. TORM's policies that support this are outlined in TORM's Business Principles. The Company's safety policy is rooted in the rules and regulations issued by the Danish Maritime Occupational Health Service.

## INSPECTION AND AUDITS

In order to maintain Company standards and exceed the targets set by its customers, TORM has enhanced the vetting preparations and increased the number of internal audits on its vessels carried out by Safety Quality and Environment (SQE) officers. On average, each vessel is subject to 10 inspections per year. Inspections are carried out by customers, terminals, internal auditors, ports and classification societies. TORM is committed to meeting the ever-increasing standards set both internally and by its customers.

The main body responsible for managing the overarching processes and requirements of these vessel inspections is OCIMF (Oil Companies International Marine Forum). In 2019, a new OCIMF SIRE (Ship Inspection Report Programme) inspection regime (vessel inspection questionnaire 7<sup>th</sup> edition) was fully implemented and took effect. The most

significant difference was the change in the inspection methodology from system verification to knowledge verification of ship's crew. Specific familiarization and training of ship's crew was implemented in order to cater to this change.

## ONE TORM SAFETY CULTURE

In line with the Company's strategic focus on safety performance, TORM continued the safety culture program *One TORM Safety Culture - driving resilience* in 2019. The purpose of the program is to continuously strengthen TORM's safety culture beyond mere compliance.

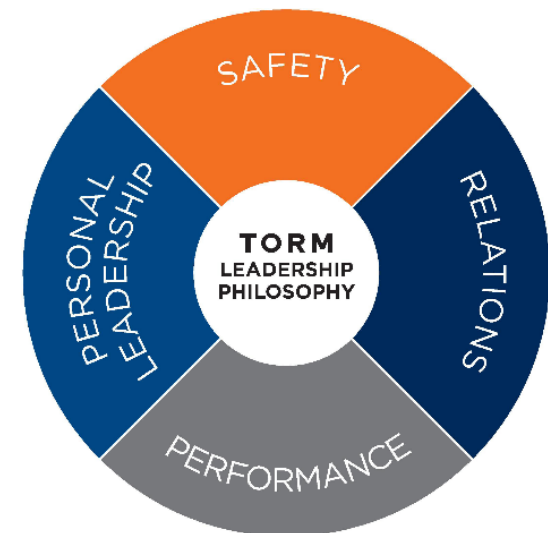
In 2019, TORM continued conducting Safety Leadership courses for Senior Officers on board the Company's vessels. A total of eight courses were conducted, including three in India, three in the Philippines, one in Denmark and one in Croatia with a total of 148 officers attending in 2019. In total, 582 officers have completed the course since it was introduced in 2017. Safety Leadership courses are mandatory, two-and-a-half-day workshops for all Senior Officers and key marine shore staff. The focus of these courses is on how to be a good leader when it comes to safety and how to positively influence and support colleagues on TORM's journey to be the Reference Company in the product tanker market.

## SAFETY DELTA

We also continue with the Safety Delta tool, which was launched in 2018 and used across the fleet to

track and monitor the safety culture on board the individual vessels. The safety delta concept supports processes and activities and helps to build and maintain a proactive safety culture based on continuous crew evaluation, dialogue, reflection and development. All vessels have conducted minimum three safety delta cycles in 2019.

In addition, TORM's revised performance development program from 2018 continues to be used. This concept is TORM's way of systematically enhancing work behavior and leadership to ensure excellent performance.





# HEALTH, SAFETY AND SECURITY

Through the *One TORM Safety Culture – driving resilience* program, TORM has defined standards and expectations for excellent performance. A key element in leadership is to evaluate employees' performance with a view to manage development and motivate employees to develop. TORM believes this will facilitate the best possible means for developing performance as an individual and as a company.

TORM will continue promoting the *One TORM Safety Culture – driving resilience* program in 2020. Focus will be on supporting and ensuring that TORM's safety culture is anchored across the organization, ashore as well as on board the vessels.

In 2020, TORM will introduce a new induction framework for its seafarers. The purpose is to ensure that new employees at sea are introduced to the safety culture in TORM as soon as possible when joining the Company.

## LOST TIME ACCIDENT FREQUENCY AND NEAR-MISS

Lost Time Accident Frequency (LTAF) is an indicator of serious work-related personal injuries that result in more than one day off work per million hours of work. The definition of LTAF follows standard practice among shipping companies. During 2019, TORM continued to improve its LTAF with the result of 0.42 (2017: 0.67, 2018: 0.47).

Each injury has been investigated and corrective measures have been taken as required.

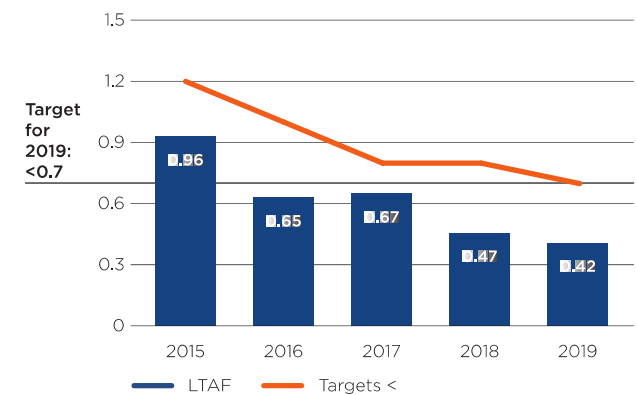
Near-miss reports provide TORM with an opportunity to analyze conditions that might lead to accidents and ultimately prevent potential future accidents. A high number of near-miss reports indicate that the organization is proactively monitoring and responding to risks. In 2019, TORM exceeded the target of 6.0 near-miss reports per month per vessel on average by reaching 6.96 (2018: 7.1) due to continued focus on this area.

## SECURITY

TORM's response to piracy is founded on the Best Management Practice, which is the industry guideline for companies and vessels sailing in areas with increased risk. In 2019, TORM experienced six situations where thieves came on board and three cases of stowaways found on board the Company's vessels. Throughout the year, the security situation and developments in the various risk areas have been monitored closely, and actions have been taken to safeguard TORM's seafarers and vessels. The Company will continue to monitor the risk situation and pre-empt hijacking and robbery attempts by following security procedures and industry guidelines.

## LOST TIME ACCIDENT FREQUENCY (LTAF)

Source: TORM





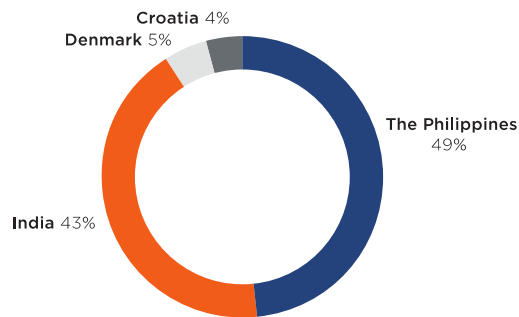


# OUR PEOPLE AT SEA

**In 2019, TORM continued its strategy to employ seafarers with different nationalities, as the Company believes that diversity on board is an important foundation for cooperation, high performance and a safe working environment.**

## GEOGRAPHICAL DISTRIBUTION OF SEAFARERS IN %

Total amount of seafarers at the end of 2019: 3,050



Throughout the year, TORM continued its efforts to relieve seafarers on time and to build strong teams that rotate back to the same vessels whenever possible. This will reinforce vessel-specific knowledge and the foundation for a safe working environment.

TORM also continued its efforts to strengthen the relations between seafarers and the shore-based organization. This included seminars and other opportunities where colleagues can share best practice regarding the operation of TORM's vessels.

As part of TORM's continued focus on the promotion process for its employees, seafarers completed the so-called 'promotion assessment training' prior to being promoted to the highest ranks on board the Company's vessels in 2018. During this training, officers visit one of TORM's offices for an introduction and training with key stakeholders.

TORM maintains an ongoing focus on seafarer commitment and engagement. In 2019, the retention rate for Senior Officers remained above 90%, and TORM demonstrated 100% compliance with customer requirements when it comes to ensuring the right level

of experience among Senior Officers per vessel across the fleet (the so-called officer matrix compliance).

During 2019, TORM initiated a pilot project on 14 vessels – a project focusing on well-being by increased engagement, mental resilience, physical health and embracing socialization among crew members. Initial findings show a decrease in smoking, hypertension and obesity. We expect to introduce this concept to the entire fleet in 2020.

At the end of 2019, TORM employed a total of 3,050 seafarers of which 141 were permanently employed, with the remaining seafarers on time-bound contracts.





# OUR PEOPLE ASHORE

**In 2019, 95% of all shore-based employees responded to the employee motivation and satisfaction survey. This is an increase on the previous year's response rate of 93%.**

In 2019, a new engagement survey providing real time data was introduced across shore staff. The outcome of the One TORM Engagement Survey showed the continuous high engagement among our employees across categories ranging from engagement, freedom of opinions, management support, work environment and safety. The high scores were evenly spread across divisions which is a testament to the strength of the unified One TORM approach.

The overall outcome of the survey is an engagement score of 8.3, which is in the top 10% of the companies across all industries using the same platform. TORM's ambition with this new engagement survey together with such a high response rate is to help the Company improve, build the culture needed to fulfill the Company's strategy and make initiatives that matter to the employees. By the end of 2019, the retention rate for all shore-based employees was 92%, which is slightly higher than the 90% in 2018.

TORM aims to attract and retain the best employees by exemplifying the four values in the TORM Leadership Philosophy and by ensuring that the Company's leaders motivate their employees.

At the end of 2019, the shore-based organization had 341 employees: 141 in Hellerup, 132 in Mumbai, 4 in New Delhi, 36 in Manila, 2 in Cebu, 16 in Singapore, 9 in Houston and 1 at the Company's office in London.





# DIVERSITY

**Our people constitute the true quality of TORM and are the Company's most valuable assets. TORM continues to grow and thrive due to the efforts and dedication of its staff both at sea and ashore.**

TORM has an obligation to its customers, shareholders, employees and other stakeholders to develop the Company's talent pool irrespective of attributes such as gender, religion, sexuality, nationality, ethnicity or disabilities. As stated in TORM's Business Principles under "Respecting People", the Company does not accept discrimination with respect to any of the above. TORM works towards a diverse workplace, in which everyone is included and respected, and in which well-being at work is regarded as a shared responsibility.

TORM aims at a gender diverse workforce and an inclusive environment that respects and supports all our people and helps improve our business performance.

TORM's gender diversity approach focuses on talent attraction, promotion and retention. The Company's leaders aim at assuming accountability for continuous progress. TORM believes that gender diverse teams, led by gender diverse leaders, deliver better business performance. The Company provides equal opportunity in recruitment, career development, promotion, training and rewards for all employees. In 2019, TORM participated in Danish Shipping's workgroup concerning more women at sea. This work

has resulted in a Danish Shipping charter driving for more women at sea, which TORM has signed up to. Furthermore, 10 recommendations have been produced, which will be incorporated in our processes and procedures as best practice.

TORM actively monitors the representation of females in the workforce and in leadership positions. At the end of 2019, the proportion of females in the shore-based workforce was 34.5%, while females in leadership positions, defined as having one or more direct reports, constituted 21.7%.

By 2020, the Company aims at having 35% women in the shore-based workforce in line with industry average, and with 25% females in leadership positions.

At the end of 2019, the Board of Directors consisted of five male members elected at the Annual General Meeting.

In 2020, the Board of Directors met its target of 20% female Board members (1 out of 5) following Annette Malm Justad's election at the Annual General Meeting in April 2020.

## EMPLOYEE GENDER DIVERSITY

Permanently employed

	Male	Female
Directors of the Company <sup>1)</sup>	4	1
Employees in other senior executive positions	3	-
Total management other than directors of the Company (VPs, GMs, Marine Officers)	162	8
Other permanent employees of the Group	175	110
<b>Total permanent employees of the Group</b>	<b>344</b>	<b>119</b>

<sup>1)</sup> The four Non-Executive Directors are not included as employees of the Group.





# OUR PRINCIPLES

## HUMAN RIGHTS

With the TORM Leadership Philosophy, TORM's Business Principles and commitment to the UN Global Compact, TORM is committed to respecting internationally recognized human rights as outlined in the United Nations Guiding Principles on Business and Human Rights.

TORM recognizes that implementing the necessary policies and respective processes to be in line with the requirements of the UN Global Principles is part of an ongoing effort. Going forward, TORM will continue to promote its human rights-related policies and processes.

TORM complies with the International Labor Organization's Maritime Labor Convention, an international set of standards on labor conditions at sea, which was ratified by 30 countries in 2012. All vessels under TORM's technical management were audited and certified as required under the Maritime Labor Convention of 2006 when it took effect in August 2013. TORM respects employees' right to associate freely, to join - or not join - unions and to bargain collectively. TORM offers equal opportunities for its employees as stated in TORM's Business Principles.

No claims or offenses have been reported regarding human rights in 2019.







# OUR PRINCIPLES

## ANTI-CORRUPTION AND ANTI-BRIBERY

Corruption and bribery impede global trade and can restrict non-corrupt companies' access to international markets. In this way, corruption and bribery have a negative impact on economic and social development. For TORM, the risk of corruption does not mean increased costs alone. Corruption also exposes TORM's seafarers to safety and security risks and poses a potential risk to the Company's legal standing and reputation.

TORM does not accept corrupt business practices, and as part of its compliance program TORM has a policy on anti-bribery and anti-corruption, which supports the Company's Business Principles.

It is TORM's policy to conduct all business in an honest and ethical manner. TORM has a "zero tolerance" approach to bribery and corruption, and the Company is committed to acting professionally, fairly and with integrity in all business dealings and relationships, wherever the Company operates. TORM will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which the Company operates.

To continue a high level of transparency and accountability, due diligence, monitoring and control as well as training of TORM's staff are central parts of implementing the anti-corruption and anti-bribery policy.

Since 2011 when TORM co-founded the Maritime Anti-Corruption Network (MACN), TORM has been taking a

joint stand within the industry towards the request for facilitation payments that exists in many parts of the world where TORM conducts business. Best practice is shared between members of the network, and members align their approach to minimizing facilitation payments.

The MACN seeks support from government bodies and international organizations to eliminate the root causes of corruption. TORM is committed to addressing corrupt business practices among stakeholders by supporting this cross-sector approach.

In addition to its efforts within MACN, TORM continued to strengthen its companywide anti-

corruption policies in 2019 to mitigate the risk of bribery and corruption. TORM has continued its anti-corruption training program, which includes mandatory anti-corruption courses for all shore-based staff and all officers on board TORM's vessels. The training targets new hires as well as existing employees and must be repeated annually. TORM will continue these efforts in 2020.

Since 2006, TORM's Board of Directors has provided a whistleblower facility with an independent lawyer as part of the internal control system. In 2019, the whistleblower facility received two notifications, which were investigated and closed without any critique or requirements for new measures.

