



# OUR RESPONSIBILITY 2020





# CORPORATE SOCIAL RESPONSIBILITY HIGHLIGHTS

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

**36% WOMEN**  
IN THE SHORE-BASED  
WORKFORCE

**21% WOMEN**  
IN LEADERSHIP  
POSITIONS



**100 SCHOLARS**  
SUPPORTED

BY TORM AND OUR  
EDUCATION FOUNDATION

**0.65**

LOST TIME  
ACCIDENT  
FREQUENCY  
IN 2020

## 2030 CLIMATE TARGET



REDUCTION

**22%**

compared to 2008 baseline (AER)



TARGET

**40%**

AER reduction by 2030

# STATEMENT BY THE EXECUTIVE DIRECTOR



Responsible behavior is embedded in the way TORM conducts its business and in the mindset of our employees. TORM remains committed to protecting our 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 2020. 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. In 2020, TORM continued to extend its support to the UN 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 key to 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. In 2020, TORM continued to extend its support to the UN Sustainable Development Goals (SDGs) and its targets for 2030. In order to ensure ample contribution, TORM continues to focus on specifically SDG 4 Quality Education and SDG 13 Climate Action which are closely

linked to our value chain, business practices, and company values. This is seen as a natural progression of our commitment to the UN Global Compact.

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

Data specifically within Environmental, Social and Governance aspects can be found in TORM's ESG report which can be found on [www.torm.com](http://www.torm.com).

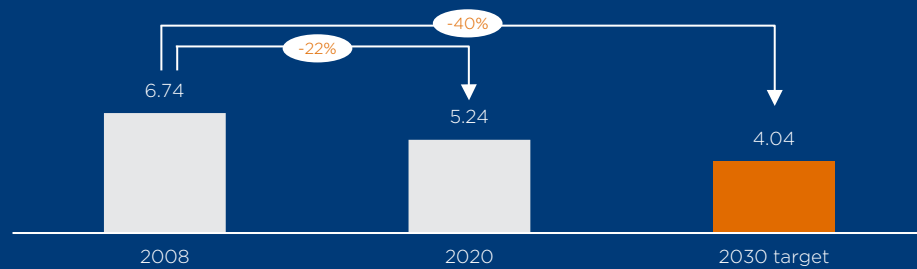
As part of the Company's commitment to the UN Global Compact, TORM submits its communication on progress every year.



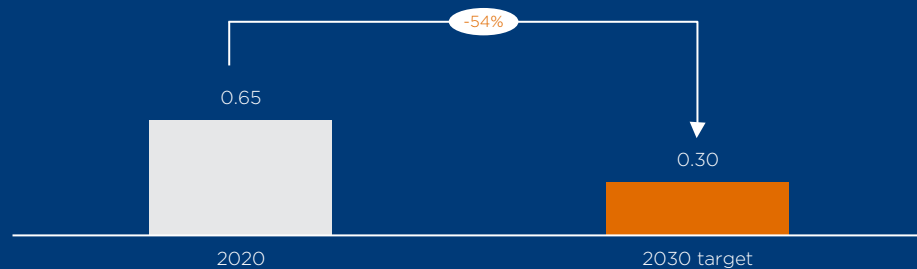


# TORM'S ESG TARGETS

## 2030 CLIMATE TARGET (FLEET AER<sup>1</sup>)



## 2030 SAFETY TARGET (LTAF<sup>2</sup>)



<sup>1</sup> Unit of measure: CO<sub>2</sub> g / dwt nm.

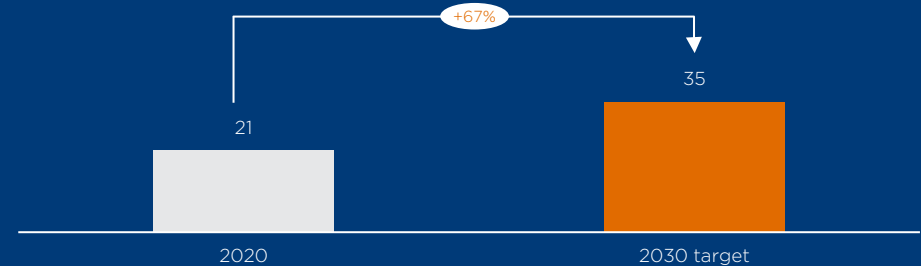
<sup>2</sup> Accidents per one million exposure hours.

<sup>3</sup> % of women in leadership positions onshore compared to all leadership positions.

## 2050 CLIMATE AMBITION

TORM is pursuing an ambitious climate agenda, whereby we will have zero CO<sub>2</sub> emissions from operating our fleet by 2050.

## 2030 LEADERSHIP DIVERSITY TARGET (PERCENTAGE OF FEMALE LEADERS<sup>3</sup>)



# ENVIRONMENTAL EFFORTS



**TORM supports SDG 13 Climate Action as marine pollution constitutes the largest environmental risk in 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 continued its 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 the decarbonization of shipping with the mutual goal of having commercially viable zero-emission vessels operating along deep-sea trade routes by 2030.

## FUEL CONSUMPTION AND ENERGY EFFICIENCY

2020 offered significant changes to the fuel picture in international shipping. The IMO 2020 Sulphur cap required many changes in reporting and systems to measure and evaluate consumption. This is caused by the change from 3.5% Heavy Fuel Oil (HFO) and 0.1% Marine Gas Oil to a worldwide limit of 0.5%. Some vessels with scrubbers may still use 3.5% HFO, but not all ports allow it. TORM's solution is to move from two fuel types to five.

Irrespective of the challenges of managing the fuels and evaluating the propulsion performance, the One TORM platform 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 Greenhouse gas emissions table on page 36.

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

To encourage and support best practice behavior with regard to energy consumption, daily engagement with the vessels continue to create significant value. The efforts ensure that corrective actions can be taken swiftly, when needed.

Fuel consumption for cargo operations remain a focus area that has been developed during 2019 and 2020. It is clear that the subject is very complex, and studies reveal that we are in need of much stronger data - this data is scheduled to become available through the Connected Vessels and Connected Machinery internal subprojects.

Investing in and implementing well-proven technologies will allow TORM to concentrate its efforts on unlocking the potential that lies outside the boundaries of behavioral activities. TORM is also testing several innovative projects regarding

optimizing machinery and use of the latest technology is prioritized in our effort to reduce the energy consumption of our fleet.

TORM continues to focus on continuously improving the hull condition of its vessels. During 2020, three 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 the environmental impact and making good business sense. By maintaining its strong focus on fuel consumption reductions in 2020, TORM achieved fuel efficiency improvements of 12.8% compared to the 2015 baseline.

# 22%

## Relative CO<sub>2</sub> reduction since 2008

Our energy efficiency focus and operational performance is a vital part of our efforts to achieve our target of reducing CO<sub>2</sub> emissions by 40% by 2030 compared to 2008 using the AER calculation method. In 2020 we had reduced our CO<sub>2</sub> emissions by 22% since 2008. More information can be found in TORM's ESG report.



# ENVIRONMENT – REPORTING

## CO<sub>2</sub> emissions (ton)

The 2020 greenhouse gas emissions (GHG) reporting covers scope 1 (direct emissions from own production) and scope 2 (emissions from own production but others' emissions) of the Greenhouse Gas Protocol except for the activities listed below.

Environmental data applies to owned vessels with its respective shares of ownership. Bareboat-in vessels are included while T/C-in vessels are excluded. Similarly, vessels on bareboat-out contracts are excluded while vessels on all other employments are included.

### Scope 1

CO<sub>2</sub> emissions have been calculated based on the consumption of heavy fuel oil and marine gas oil according to IMO's conversion factor for emission per ton. 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

CO<sub>2</sub> emissions generated indirectly from operational activities at the TORM offices are calculated using Danish and World Resources Institute emission factors. Only offices where data is available are included.

## AER (g/dwtxnm)

AER (g/dwtxnm) is a measure of efficiency using the total fuel consumption, distance travelled and design deadweight. The measure is defined as grams CO<sub>2</sub> emissions per deadweight-ton-nautical mile. AER is affected by vessel size, speed, duration of waiting time and port stays.

## EEOI (g/cargoxnm)

EEOI is a measure of efficiency using the total fuel consumption, distance travelled and cargo intake. The measure is defined as grams CO<sub>2</sub> emissions per cargo-ton-nautical mile. EEOI is affected by vessel size, speed, cargo availability, duration of ballast voyages, waiting time and port stays.

## SO<sub>x</sub> emissions (ton)

SO<sub>x</sub> emissions are calculated based on average sulfur content for the different fuel types.

A comprehensive study for TORM by an independent specialist which compared the emissions from vessels fitted with exhaust gas cleaning systems (scrubbers) to emissions from vessels using low-sulfur fuel found that the sulfur emissions are reduced to an average of just 0.025% when using the exhaust gas cleaning system compared to 0.45% when using low sulfur fuel.

## Energy consumption (TJ)

All fuel burned on board the vessels has been converted into energy based on fuel oil analysis results.

## Office electricity consumption (kWh)

Electricity consumed indirectly in operational activities at the TORM offices excluding the London and Houston offices.

## Office water consumption (m<sup>3</sup>)

Water consumed indirectly in operational activities at the TORM offices excluding London, Houston, Mumbai and New Delhi offices.

## Ballast Water Treatment Systems

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. 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. TORM has installed Ballast Water Treatment Systems which eliminate this impact to 65% of its fleet.

A further 13 vessels will have Ballast Water Treatment Systems installed by the end of 2022.



# GREENHOUSE GAS EMISSIONS DATA

Thanks to the installation of exhaust gas cleaning systems, also known as scrubbers, on 62.5% of the fleet and the use of low-sulfur compliant fuel in 2020, TORM achieved a notable reduction in SOx emissions in 2020.

Further information on TORM's environmental efforts can be found in our ESG report which is located on TORM's homepage.

Indicator	Unit	2020	2019	2018
<b>Greenhouse gas (GHG) emissions</b>				
Direct GHG emissions (scope 1)	Ton CO2	1,335,896	1,302,390	1,374,835
Indirect GHG emissions (scope 2)	Ton CO2	434	488	525
CO2 emissions, AER – total fleet	g/dwtxnm	5.24	5.13	5.42
CO2 emissions, EEOI – total fleet	g/cargoxnm	11.18	11.31	12.28
Total GHG emissions	Ton CO2	1,336,330	1,302,878	1,375,360
<b>Sulfur emissions</b>				
SOx emissions	Ton	1,760	18,112	18,367
<b>Energy consumption</b>				
Heavy fuel	Ton	170,907	349,056	375,196
Low-sulfur heavy fuel	Ton	174,836	12,174	152
Marine Gas Oil	Ton	80,865	55,371	64,255
Total energy consumption for vessels	TJ	17,665	16,921	17,747
<b>Office consumption</b>				
Electricity consumption	kWh	445,093	702,850	823,844
Water consumption	M3	3,268	-	-
<b>Ballast Water</b>				
% of fleet with Ballast Water Treatment Systems	%	65	33	16





# 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 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 4 Quality Education and cooperates with several educational institutions and universities internationally.

In Denmark and Singapore, the efforts include offering internships and trainee and student assistant positions at 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 thus support potential future TORM

employees and strengthen the overall competence level among seafarers in these regions.

## EDUCATION FOUNDATION IN THE PHILIPPINES

TORM Philippines runs educational development actions through the TORM Philippines Education Foundation (TPEF) which has been helping Philippine communities since 2007. In 2020, two students supported by the TORM Philippines Education

Foundation graduated from scholarships with the other current scholars still working hard in the 2<sup>nd</sup> and 3<sup>rd</sup> years at school.

For the school year 2020/2021, the foundation supports 64 students (34% being females) across the Philippines of whom 35 are scholars at various colleges and universities and the remaining 29 are apprentices at maritime courses.





# SUPPORTING QUALITY EDUCATION

In addition to the scholarships and apprenticeships, the education foundation also runs a number of social development initiatives. In 2020, this involved the provision and distribution of IT equipment, personal protective equipment, and school supplies. The beneficiaries of this equipment were four public elementary schools in Pandan, Catanduanes.

TORM also has an Employee Committee (TEC) which also performs activities with an educational focus. In 2020, and in partnership with TPEF, TEC sent portable WIFI connections to 16 selected scholars who cannot afford one for themselves. An Internet connection ensures that our scholars have access to the rest of world and can complete their studies to the best of their ability.

## EDUCATION FOUNDATION IN INDIA

In India, TORM has funded specific projects that it undertakes towards social causes. Since 2018, TORM India has engaged with three organizations to achieve this. Firstly, SAMPARC, an organization caring for disadvantaged children across India. Secondly, BAIF, an organization dedicated to upgrading and providing rural infrastructure. Lastly, Akshayshakti, which is dedicated to improving the lives of students, the development of women, and care for abandoned children, for various CSR initiatives.

In previous years, TORM has supported the construction of the ZP Prathmik School in Zadgevadi in Kurkumbh, near Pune, India. The school was

constructed and the facilities furnished with donations from the Company.

Through SAMPARC, TORM is sponsoring 36 students attending the school. Apart from tuition, TORM also assists them with their basic needs, such as school equipment and certain living expenses. The pandemic has restricted movements in India, however in November 2020, a team from TORM India visited SAMPARC Bhaje to celebrate the Deepawali Festival with the students. As a token, dresses, sweets, and masks were distributed to them. TORM has committed

to renovating the town hall and library at SAMPARC Bhaje.

This will enhance the extra-curricular activities for the girls living there and augment the infrastructure for multiuse. This will be completed by March 2021.

Earlier this year, TORM India pledged to construct three classrooms at Nalasopara, Mumbai. This project is expected to be completed in 2021 instead of the original timeline of September 2020 due to the COVID-19 pandemic.

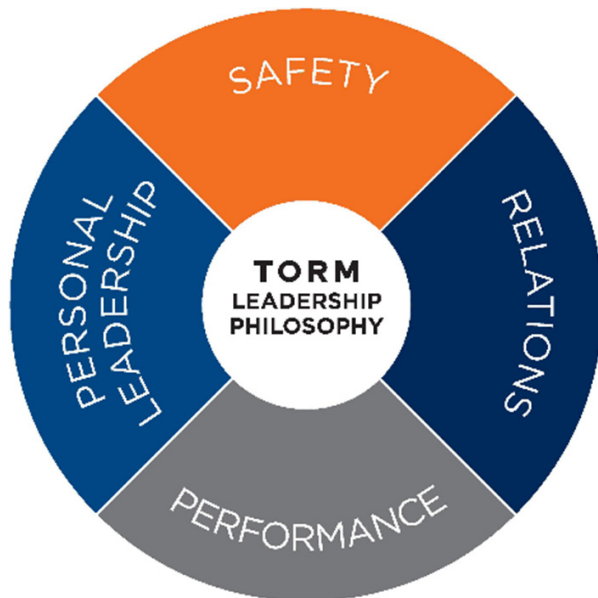




# HEALTH, SAFETY AND SECURITY

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 despite the COVID-19 pandemic, TORM developed a robust remote audit scheme at the beginning of 2020. With travel restrictions significantly reducing the possibilities of visiting our vessels, our first-rate tools and data collection processes made it possible to create a robust remote audit system. The number of visits has declined during the year, however by using the One TORM platform, the interaction with all stakeholders, internal as well as external, has shown that audits, inspections, change of flag etc. are achievable and successful despite the pandemic.

## SIRE INSPECTIONS

The main body responsible for managing the overarching processes and requirements of these vessel inspections is OCIMF (Oil Companies International Marine Forum). In 2020, due to the travel restrictions caused by the COVID-19 pandemic, new avenues like remote documentation review and inspection were introduced by OCIMF. The challenges experienced in connection with physical SIRE (Ship Inspection Report Program) arrangements were mitigated by close co-operation among internal stakeholders as well as among oil majors.





# HEALTH, SAFETY AND SECURITY

## 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 2020. The purpose of the program is to continuously strengthen TORM's safety culture beyond compliance.

TORM continued to conduct Safety Leadership courses for Senior Officers on board the Company's vessels. Nine courses were conducted for all crew nationalities. One course was conducted onsite at the Manila office, while the remaining courses were conducted online due to the lockdown of offices. A total of 93 Senior Officers and 24 Junior Officers participated in 2020. In total, 699 officers have completed the course since it was introduced in 2017. Safety Leadership courses are mandatory, involving two-and-a-half days of 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.

## SAFETY DELTA

We also continued 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 been scheduled to complete three Safety Delta cycles in 2020.

Since 2018, TORM has used a revised performance appraisal program as a way to systematically enhance work behavior and leadership to ensure excellent safety performance.

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

In 2020, TORM introduced a new induction framework for its Junior Officers as well as ratings. The induction program focuses on enhancing work behavior and safety leadership to ensure excellent performance for newly hired seafarers. A revised induction framework for Senior Officers is being implemented in January 2021.

In 2020, TORM continued to promote the *One TORM Safety Culture - driving resilience* program. In the fourth quarter, we launched our new Virtual Senior Officers Conference program. The content of the Virtual Senior Officers concept is focused on Safety Culture, Mental Health, Work Culture, and Social Culture in order to support and ensure that TORM's safety culture is anchored across the organization, ashore as well as on board the vessels.





# HEALTH, SAFETY AND SECURITY

## LOST TIME ACCIDENT FREQUENCY AND NEAR-MISS INCIDENTS

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 the standard practice among shipping companies. During 2020, TORM's LTAF measure increased to 0.65 (2019: 0.42).

Each injury has been investigated and corrective measures have been taken as required. We have not detected any definitive causes of the declined performance. To improve safety especially during the pandemic, we have introduced new measures for TORM's seafarers, e.g. virtual town halls.

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 proactively monitors and responds to risks.

In 2020, TORM's focus on near-miss incidents shifted from the number of near-miss incidents to the quality of the incident reports. The total for 2020 was 5,991. (2019: 6,099, 2018: 6,310)

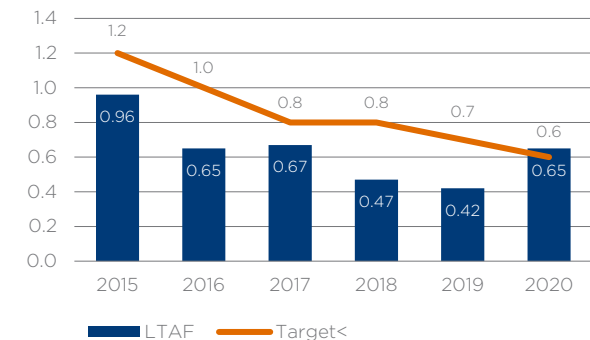
## SECURITY

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 2020, TORM experienced one incident when a vessel was boarded by pirates, two incidents when thieves or robbers came on board and two incidents of stowaways found on board the Company's vessels. The pirates incident was handled professionally by the vessel crew and the TORM emergency response team. The crew retreated to the citadel and no crew were harmed or injured during the incident.

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 security situation in some regions has changed due to the COVID-19 pandemic. TORM has adapted its procedures to the changing threat levels across the areas called at by TORM 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





# EMPLOYEES

The employees 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.

To drive high employee engagement and improve the sense of belonging, the company has been working on a strategy to modernize internal communication. In light of the pandemic, this strategy was accelerated and an employee app was introduced to all employees, both at sea and ashore.

## AT SEA

In 2020, 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.

Throughout the year, TORM's main priority was to relieve seafarers on time despite the heavy constraints caused by the COVID-19 pandemic. The One TORM platform proved its strength by enabling the organization to conduct crew changes better than the industry average, and by the end of 2020, the number of overdue seafarers on board was normalized. For further details, please refer to page 15.

During these times, focus was on supporting both staff on board as well as our seafarers at home and their relatives, with all aspects of such unprecedented times. This support included both financial, and most

importantly, health. Despite the COVID-19 limitations, TORM continued its efforts to strengthen the relationship between seafarers and the shore-based organization. In 2020, this involved a transition from physical meetings and gatherings to a more virtual form which included seminars, trainings, and general gatherings.

As part of TORM's continued focus on the promotion of its employees, seafarers completed the "Promotion assessment training" prior to being promoted to the highest ranks. Officers visit one of TORM's offices for an introduction and training with key stakeholders. In 2020, this was maintained through virtual tools.

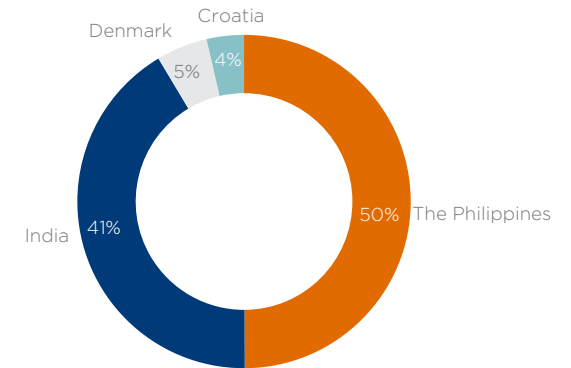
TORM maintains an ongoing focus on seafarer commitment and engagement. In 2020, the retention rate for Senior Officers remained above 90%, and TORM demonstrated 100% compliance with customer requirements when it comes to ensuring the right level of experience among Senior Officers per vessel across the fleet (the so-called officer matrix compliance).

Following a pilot in 2019, TORM rolled out the Well at TORM program in 2020. The program focuses on well-being by increasing engagement, mental resilience, physical health, and embracing socialization among crew members.

At the end of 2020, TORM employed a total of 3,023 seafarers of whom 108 were permanently employed, with the remaining seafarers being on time-bound contracts.

## GEOGRAPHICAL DISTRIBUTION OF SEAFARERS IN %

Total number of seafarers at the end of 2020: 3,023



## ASHORE

In 2020, 97% of all shore-based employees responded to the annual employee motivation and satisfaction survey. This is an increase on last year's rate of 95%.

TORM continued the survey introduced in 2019 which provides real time data. The outcome of the survey showed the continuous high engagement among our employees across categories ranging from engagement, freedom of opinion, management support, work environment and safety.

In order to strengthen and develop TORM's leading position as the Reference Company, continuous development is a key criterion for success. On this background leadership training has been identified as a focus area for 2021.



# EMPLOYEES

The high scores were evenly spread across divisions and locations which is a testament to the strength of the unified One TORM approach.

The overall outcome of the survey improved slightly on the previous year and positions TORM among the top 10% of companies across all industries using the same platform.

TORM's ambition of investing in this engagement survey combined with such a high response rate is to help the Company improve, build the culture needed to fulfill the Company's strategy and develop initiatives that matter to the employees. By the end of 2020, the retention rate for all shore-based employees was 92%, the same rate as in 2019.

In 2020, TORM included a number of questions to understand how our shore-based employees cope with the changes to work conditions caused by the COVID-19 pandemic. The survey showed that the measures introduced were highly appreciated by the employees.

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

At the end of 2020, the shore-based organization had 345 employees: 141 in Hellerup, 136 in Mumbai, 4 in New Delhi, 34 in Manila, 3 in Cebu, 17 in Singapore, 9 in Houston, and 1 in London.

## DIVERSITY

TORM has an obligation to develop the Company's talent pool irrespective of gender, religion, sexuality, nationality, ethnicity or disabilities etc. As stated in TORM's Business Principles, the Company works towards a diverse workforce in every aspect and an inclusive environment that respects and supports all our people and helps improve business performance.

TORM believes that diverse teams led by diverse leaders deliver better business performance. The Company provides equal opportunity in recruitment, career development, promotion, training and rewards for all employees.

In 2020, TORM continued its participation in and was driving the aim of Danish Shipping's work group "More Women at Sea". TORM has incorporated the 10 recommendations into processes and procedures as best practice.

TORM actively monitors the representation of females in the workforce and in leadership positions. At the end of 2020, the proportion of females in the shore-based workforce was 35.8%, while women in leadership positions, defined as having one or more direct reports, constituted 20.9%. By 2021, the Company aims to have 35% women in the shore-based workforce in line with the industry average, and 25% women in leadership positions. Additionally, TORM has a target for 2030 of 35%.

At the end of 2020, the Board of Directors consisted of four male members and one female member elected at the Annual General Meeting. In 2020, the Board of Directors fulfilled its target of 20% female Board members (1 out of 5).

The Company embraces diversity in every aspect, and it has been stated as a fundamental part of TORM's Business Principles since 2012. The Company will continue on this path at all levels of the Company.

### 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)	147	11
Other permanent employees of the Group	173	118
<b>Total permanent employees of the Group</b>	<b>327</b>	<b>130</b>

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



# HUMAN RIGHTS



## ANTI-CORRUPTION AND ANTI-BRIBERY

Corruption and bribery impede global trade and can restrict non-corrupt companies' access to 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.

TORM has three elements which it leverages to continue a high level of transparency and accountability of its anti-corruption and anti-bribery policy. One being strict employee guidelines and processes to prevent and manage anti-corruption and anti-bribery, the second being specific reporting processes, and the last being compulsory e-learning courses. TORM further complies with SOX regulations according to which employees must confirm adherence to the policies and guidelines, as well as training completion, ensuring 100% compliance. No further corrective action has been required.

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

joint stand with the industry against 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 2020 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 2021.

Since 2006, TORM's Board of Directors has provided a whistleblower facility with an independent lawyer as part of the internal control system. In 2020, the whistleblower facility received three notifications, two of which were investigated and closed without any critique or requirements for new measures. The third claim is under investigation with the whistleblower service facilitating a dialogue between TORM Management and the whistleblower,





# HUMAN RIGHTS

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With the TORM Leadership Philosophy, TORM's Business Principles and commitment to the UN Global Compact, TORM is committed to respecting 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 are audited and certified as required under the Maritime Labor Convention of 2006. TORM respects employees' right to associate freely, to join – or not to 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 2020.



