



Clipper Group

CSR Report 2020



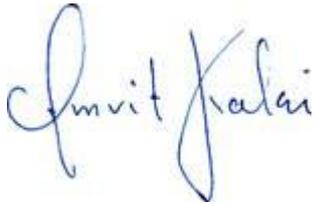
CONTENT

CEO Statement	3
Clipper Group CSR Policy	3
Structure of Report	3
Clipper Bulk	4
Clipper Bulk Business Model	5
Key CSR Risks at Clipper Bulk	6
Human rights and labor standards	7
Environment and Climate	9
Anti Corruption	10
Summary of Focus Areas and Goals	11
Seatruck Ferries	12
Seatruck Ferries Business Model	13
Key CSR Risks at Seatruck Ferries	13
Human rights and labor standards	14
Environment and Climate	15
Anti-corruption	15
Summary of focus areas and goals	16

CEO STATEMENT

2020 was the first year with our new 2020-2022 CSR Goals tailor made for our two main business activities, Seatruck Ferries and Clipper Bulk. The goals for Seatruck Ferries are very much focusing on the responsibility that follows from running a ferry service with owned vessels and the goals for Clipper Bulk has been updated to reflect on how an international operator business can participate in pushing the sustainability agenda.

In both Seatruck Ferries and Clipper Bulk we wish to continue ensuring that sustainability is an integrated part of our daily operations, business strategy and organizational culture. We are committed to support UN Global Compact and its ten principles.



Amrit Kalsi
Group CEO
Clipper Group

CLIPPER GROUP CSR POLICY

We strive to make a positive impact.

As a maritime player with a global presence at sea and on shore, we recognize our social, environmental, and ethical responsibility. We wish to push for a positive development by running our business in a responsible manner and by promoting sustainable business behavior in our network. We are committed to and do build our efforts on the 10 principles of UN Global Compact. We are setting measurable goals within the areas where we believe our efforts may have the greatest impact and are under our current goals for 2020-2022 focusing on diversity, safety, reducing emission and fighting corruption.

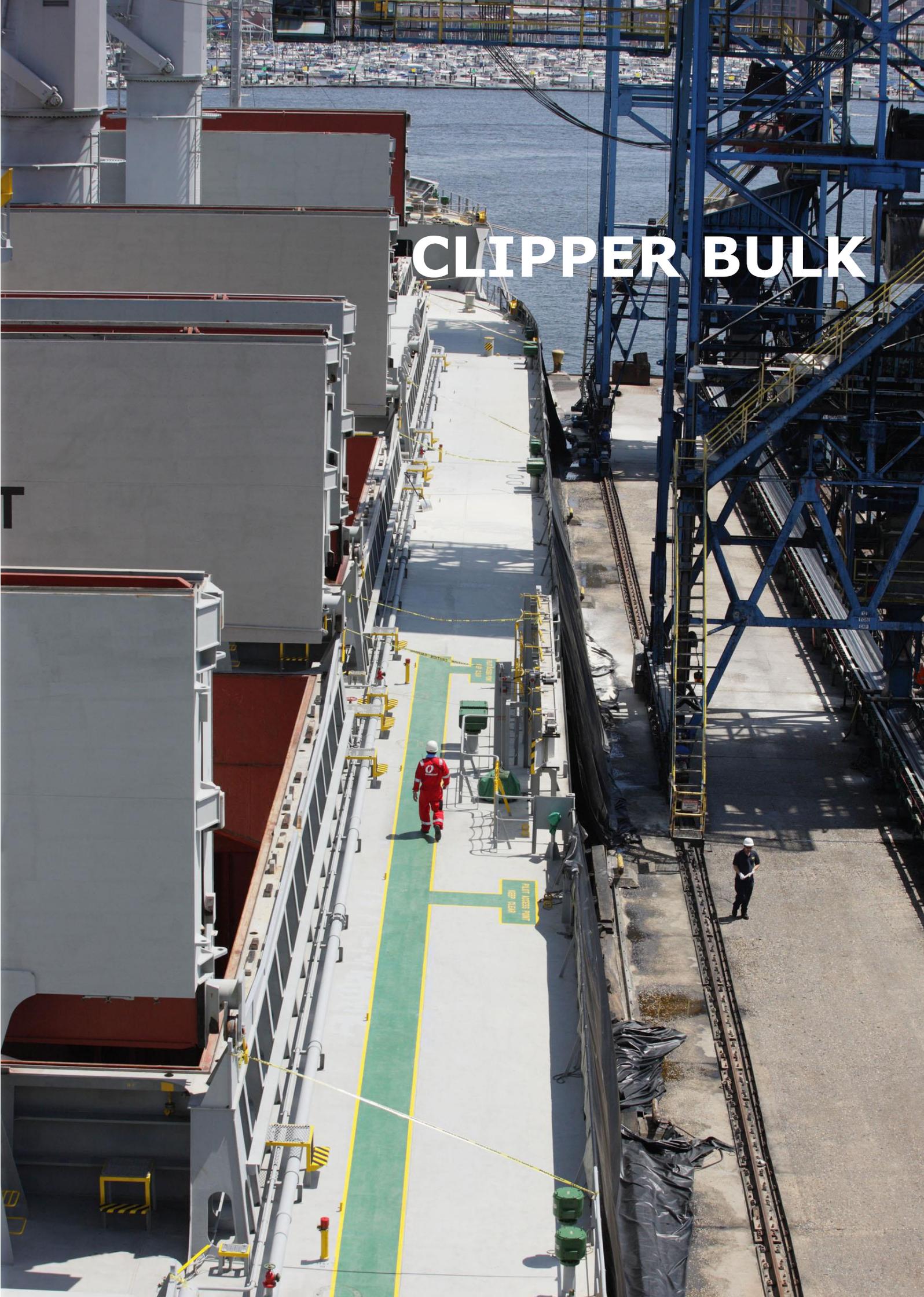
STRUCTURE OF REPORT

Clipper Group is a family-held international shipping group dedicated to global dry bulk shipping via Clipper Bulk and Ro-Ro services on the Irish Sea via Seatruck Ferries. Seatruck Ferries is fully owned by the Danish company Clipper Group A/S. Clipper Group is headquartered in Denmark and have people employed in the Senior Management, Finance and Accounting, Group Treasury, HR, IT and Legal who supports both business areas.

The nature of the two business divisions do, however, differ from each other and do to a large extent operate independently. Our report is therefore divided in two main sections, separately focusing on Clipper Bulk and Seatruck respectively.

This report serves as both our statutory reporting for Clipper Group A/S according to the Danish Financial Statements Act and our communication of progress for 2020 to UN Global Compact for Clipper Group Ltd.

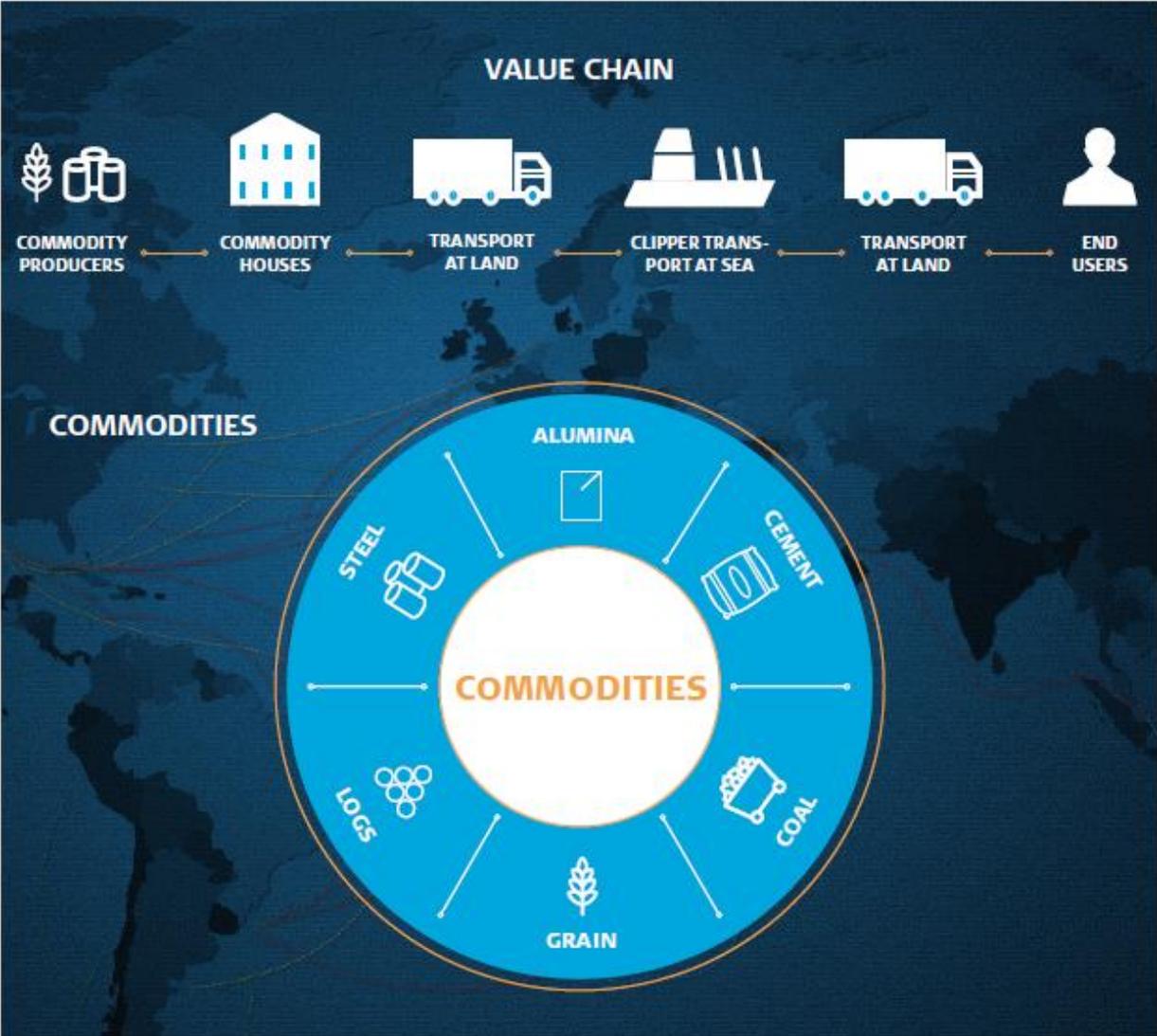
CLIPPER BULK



CLIPPER BULK BUSINESS MODEL

Clipper Bulk operates around 65 handysize and supramax vessels. We have long-term partnerships with clients, investors, technical- and commercial managers and we take pride in the fact that many of our partnerships go back more than 20 years.

Clipper Bulk’s customer base spans from large commodity houses to single commodity producers and end-users. We transport alumina, cement, coal, grain, logs, steel and wood pellets and 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.



KEY CSR RISKS AT CLIPPER BULK

The following table provides an overview of the most significant CSR risks facing Clipper Bulk and how we mitigate them. It is not an exhaustive risk overview.

CSR TOPIC	RISK	MITIGATION
Diversity	The shipping industry has difficulties in attracting female employees which reduces the talent pool.	Clipper Bulk is setting goals for increasing number of female employees and managers and are taking various steps to meet those goals.
Corruption	We may be asked for bribes or other small payments.	Clipper Bulk has implemented an anti-corruption policy and conducts anti-corruption training of staff. Clipper Bulk is also an active member of the Maritime Anti-Corruption Network, taking part in several anti-corruption initiatives as we realise, that corruption is only fought efficiently in partnerships.
Seafarers' human rights on vessels	As operator, Clipper Bulk may not be aware of potential human rights violations or poor working conditions for the crews onboard vessels chartered in.	We strive to include a clause in our Charter Party agreements stipulating fair working conditions and respecting the seafarers' human rights in accordance with IMEC (International Maritime Employers' Council), ITF (International Transport Workers' Federation) and similar organizations.
Human rights in conflict areas	When sailing to destinations all around the world there is a risk that we will be asked to call conflict areas and unknowingly become involved in human rights violations.	We are monitoring the situation carefully when transporting goods to conflict areas to ensure that we are not actively or indirectly participating in violation of international sanctions or human rights. This areas will have special focus in our coming human rights risk assessment process.

HUMAN RIGHTS & LABOR STANDARDS

Clipper Bulk respects the protection of human rights and human rights are an integrated part of our decision making. It is vital for us that our employees' human rights are protected.

WORKING CONDITIONS

It is important for Clipper Bulk to be an attractive workplace. Clipper Bulk employed 76 people by the end of year 2020. We believe the retention rate provides an indication of employee satisfaction and engagement. The retention rate for Clipper Bulk was 92.9% for 2020 compared to 93.5% for 2019. Our goal that the retention rate shall be above 90% has therefore been met.

Clipper Bulk's working culture is characterized by empowerment and responsibility from day one. We focus on continuous professional development and are pleased to see the long seniority of our employees. We do our utmost to secure fair working conditions in all our locations and benchmark this regularly.

Guideline and local working conditions

Clipper Bulk has a global guideline for working conditions that applies to all employees in Clipper Bulk supported by local guidelines for several offices around the world. In totality, these documents serve as a code of conduct for all Clipper Bulk employees with the purpose of ensuring that human rights and fundamental working conditions are observed by all.

Data privacy

We take our employees' right to privacy seriously and it is important to us that our employees, no matter where they are located, know that we take every measure possible to protect their personal data from being misused. Thus, our group policy on data protection and privacy also applies to employees located in countries where there are no prevailing data protection rules or regulations like GDPR. Our policy includes specific instructions on the processing of personal data, and provides information on basic rights, such as the right to information on stored data and its deletion.

DIVERSITY

As a global shipping company, we especially pride ourselves in our international mindset. We encourage candidates with different backgrounds and of different nationalities to join Clipper Bulk, as we recognize that in our current globalized world, talent is no longer confined by physical borders.

We provide equal opportunities for everyone and ensure that a position is always filled with the best candidate, based on the persons capabilities irrespectively of background, gender or nationality.

CLIPPER GROUP DIVERSITY POLICY

We believe that diversity at all levels of the organization gives us the largest possible recruitment base.

Diversity creates an innovative and inclusive work environment.

We always take diversity into account when recruiting and promoting employees.

Female employees and female managers

Female underrepresentation is a challenge not only for Clipper Bulk, but for the entire shipping industry. We have joined the charter for more women in shipping established by the Danish Shipping industry organisation and have set goals for increasing percentage of female employees and number of female managers with people responsibilities.

In order to achieve these goals we have ensured, that in all recruitment processes, we select relevant female and male candidates for interviews. We also want to ensure that there are no barriers within Clipper that hinder women from joining or being promoted due to their gender. We have set a goal that 33 percent of all employees in Clipper Bulk shall be female at the end of year 2022. This goal was achieved during year 2020, as the percentage was above 35 percent. We had also set the ambitious goal that the number of female managers shall increase each year. There have not been any new female managers with responsibility for other employees appointed during 2020. We will continue to focus on increasing the number of female managers.

Female board members

Clipper Group A/S adopted a recruitment policy for board members in 2016. In accordance with Danish legislation, the policy includes a goal for female board representation. According to the policy, Clipper Group A/S board of directors should have at least one female board member elected by the shareholders. The board currently consists of 4 male board members. The policy also stipulates that the chairman of the board shall propose at least one female candidate for vacant board positions.

Due to recent years' challenging conditions and restructurings, it has been a priority for the board to maintain continuity as well as current knowledge and expertise and thus, no board positions have become vacant in 2020. The target of one female board member has therefore not yet been met. The chairman of the board has, however, 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 one female board member shall be extended to the end of 2022. The board of Clipper Group A/S's subsidiary Seatruck Ferries Holding Ltd. consists of six board members of which one is female.

Cultural Diversity

We believe that bringing different nationalities together create a lot of value enabling us to learn from each other. This will help us to understand different perspectives, which is extremely important for an international company as ours. We wish to ensure that we recognize and respect each other and our clients and business partners irrespective of cultural background. We have therefore set a goal to ensure that the number of nationalities working in Clipper Bulk shall exceed 10 different nationalities. In 2020 we employed 13 different nationalities.

HUMAN RIGHT RISK ASSESSMENT

We wish to carry out a human right risk assessment in order to ensure that we have the right base for making decisions that could have an impact on human rights. The purpose of such assessment is to identify whether there is a risk that we within our business carry out activities that could lead to adverse effect on human rights. Once such risks have been identified we will work on mitigating those risks where the impact could have the most serious harm on human rights. We are currently preparing for such assesment process and expect to initiate the process during second half of 2021.

ENVIRONMENT AND CLIMATE

CLIPPER GROUP ENVIRONMENTAL POLICY

Clipper Group maintains a precautionary approach to the environment and will continue to invest in smarter shipping technology to further improve environmental and financial performance

We always strive to keep abreast of new regulation and aim to comply with national and international regulations at all times

We continuously work to promote environmentally conscious local initiatives in Clipper offices.

CHARTERED VESSELS

Although shipping is the form of mass long-distance transportation with the lowest environmental impact, we acknowledge our impacts and recognize, that the global challenge of climate management and CO2 emissions for the shipping industry requires a global approach.

Clipper Bulk fully supports the measures and efforts of the United Nations International Maritime Organization, IMO. We pursue to constantly increase energy and fuel efficiency for our fleet of chartered vessels and push this agenda in our network.

When chartering a vessel we check the Greenhouse Gas (GHG) rating this vessel has with the third party sustainability risk management provider, RightShip. The GHG rating compares a vessel's theoretical CO2 emission with vessels of similar type and size. This means that vessels are assigned a rating based on how its vessel design index compares to the average score for vessels of a similar type and size.

Our goal for 2020 was that our chartered-in fleet should have an average rating of 3.5 or better, where category A represents a value of 1, category B a value of 2 and so forth. The rating for 2020 arrived at 3.6 and is thus close to our goal.

We have in 2021 entered into a joint venture which will ensure that we over the coming years will get access to up to 10 newbuild eco dry bulk vessels to be used in our Clipper Bulk Steel Service. These vessels will improve the overall rating. Some of these vessels will on top of that be tier 3 vessels ensuring a strict limit on emissions.

RESPONSIBLE SHIP RECYCLING

Clipper adopted a recycling policy in 2015 committing us to ensure that fully owned vessels are recycled, as a minimum according to the principles laid down in the Hong Kong Convention, even though this convention is not yet ratified and in form. We will be actively involved in the recycling process and approve the recycling facility. We will inspect the recycling facility in order to ensure that the facility is able to carry out the recycling in a safe and environmentally sound manners and have adequate procedures in place.

No Clipper Bulk vessels have been recycled during 2020.

ANTI-CORRUPTION

As an international shipping company, Clipper Bulk is exposed to requests for facility payments and other corrupt practices in countries where our vessels trade.

Our anti-corruption policy adopted in 2012 stipulates 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 we are refusing to pay same but have not yet been able to implement a zero tolerance policy. 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 and potentially threatening conditions for the local crew onboard. When we experience such unacceptable behaviour, the details are reported both internally and to MACN.

We have chosen to actively fight facility payments in what-ever form or shape and have for some years had a global anti-corruption training program for all our employees. 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. Today, 44 % of Clipper Bulk's employees have received anti-corruption training, which is a reduction from 2019, which primarily is a result from Clipper Bulk's recent organisational changes and the composition of employees that left the company during 2020. Our goal is that all employees in the Clipper Bulk shall be trained and that we continue an active membership of MACN.

The Maritime Anti-Corruption Network is a global business network working towards the vision of a maritime industry free of corruption that enables fair trade to the benefit of society at large. Established in 2011 by a small group of committed maritime companies, MACN has grown to include **over 150 companies** globally, and has become one of the pre-eminent examples of collective action to tackle corruption.



CLIPPER DRY BULK

Summary of focus areas and goals

Focus Area	UN SDGs	Goals 2020-2022	Progress 2019	Progress 2020
Human Rights & Labour standards		Retention rate shall be above 90 % each year	Retention rate was 93,5% ultimo 2019	Retention rate is 92,86% ultimo 2020
		Carry out a human rights risk assessment of Clipper Bulk before end 2022	Not a 2019 goal	Human rights risk assessment has not been initiated in 2020
People & Diversity	 	Percentage of female employees shall be 33 % at the end of 2022	The total female employees ultimo 2019 was 31%	The total female employees ultimo 2020 was 35,14%
		Number of female managers with people responsibility shall increase each year	The number of female managers ultimo 2019 was 3	The number of female managers ultimo 2020 was 3
		One female member shall be nominated to the board of Clipper Group A/S by the end of 2022	No female board member has been nominated in 2019	No female board member has been nominated in 2020
		Number of nationalities shall be above 10 each year	Not a 2019 goal	Clipper employs 13 different nationalities
Environment & Climate	   	The average GHG rating as defined by RightShip shall for vessels chartered in by Clipper Bulk be rated 3.5 or lower for year 2020 and 3.0 or lower for year 2021 (Category A equals 1, Category B equals 2 etc.)*	Not a 2019 goal	Average GHG rating was 3,6.
Anti-corruption	 	Ensure training of all employees	66% of employees were trained and tested in anti-corruption by 2019	44% of employees were trained and tested in anti-corruption by 2020
		Continue active membership of MACN	Active member	Active member

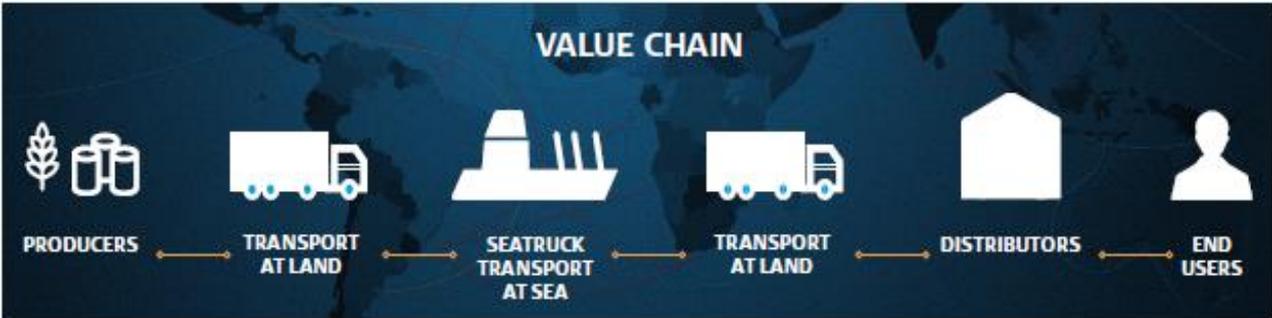
* measured for vessels chartered in for periods exceeding 6 months

SEATRUCK FERRIES



SEATRUCK FERRIES BUSINESS MODEL

Seatruck Ferries is a vital part of the Irish Sea supply chain and operates high quality freight-only ferry services, with three routes. Seatruck specializes in the movement of unaccompanied trailers, which allows their owners to make more efficient use of their equipment and drivers. Using Seatruck saves customers significant road mileage and provides environmental benefits compared to the more traditional road transit through Scotland or Wales.



KEY CSR RISKS AT SEATRUCK FERRIES

The following table provides an overview of the most significant CSR risks facing Seatruck Ferries and how we mitigate them. It is not an exhaustive risk overview.

CSR TOPIC	RISK	MITIGATION
Diversity	The shipping industry has difficulties in attracting female employees which reduces the talent pool	Seatruck Ferries is setting goals for increasing number of female employees and managers and are taking various steps to meet those goals
Harzadous workplace	Working on RoRo vessels with many moving parts are a harzadous workplace	Seatruck Ferries are continiously focusing on securing a safe work place
CO2 Emissions	It is a fact that CO2 emissions have a negative impact on the climate	Seatruck Ferries use low sulphur fuel and are constantly investigating how to reduce fuel consumption

HUMAN RIGHTS & LABOR STANDARDS

Seatruck Ferries respects the protection of human rights and human rights are an integrated part of our decision making. It is vital for us that our employees' human rights are protected.

ATTRACTIVE WORKPLACE

Seatruck Ferries wish to be an attractive workplace both on the sea and on shore. We believe the the retention rate indicates whether we have succeed in this and have as a goal that the retention rate shall be above 90 percent for both on shore and off shore employees. The overall retentaion rate for 2020 was 90%.

DIVERSITY

In order to ensure largest possible pool of talent we encourage candidates with different backgrounds and of different nationalities to join Seatruck Ferries. We provide equal opportunities for everyone and ensure that a position is always filled with the best candidate, based on her or his capabilities.

Female employees and female managers

As is the case for many shipping companies female underrepresentation is also a challenge for Seatruck Ferries, not least on our vessels where the current percentage is 1% compared to onshore where the percentage is 23%. We are currently considering how we can make it more attractive for female employees to join Seatruck Ferries both on our vessels and in our offices.

We believe one way to attract female employees is to ensure that there are female role models in the company. We have therefore set a goal that the percentage of female managers with people responsibility shall increase each year. The percentage did increase during 2020 from 28% to 31%.

Cultural Diversity

We believe cultural diversity bring different viewpoints and talents to the mix, for the benefit of the company. We have set a goal to ensure that the number of different nationalities onboard our vessels and onshore shall be above 5. In year 2020 we had employees from 6 different nations.

SAFETY

Working on a RoRo vessel – especially during loading and unloading – is a dangerous workplace and it is extremely important that solid saftey procedures are in place. We are currently testing a possible new technology adding a significant extra layer of safety protection in key risk areas.

One way to ensure highest possible focus on security is to report on near misses making sure that safety observations are made in the daily work. This provides important information about what can be done to improve occupational safety in advance. We wish to increase the number of near misses each year. During year 2020 the monthly number of nears miss reports per vessel increased to 22.3 from 14.25 in year 2019.

We cannot compromise our employees safety and have set a goal that there shall be no fatalities for Seatruck employees and contractors working in connection a Seatruck vessel. We are pleased to report that there were no fatalities during 2020.

ENVIRONMENT AND CLIMATE

We constantly seek to minimize the impact our business has on the environment and climate.

During 2020 we managed to reduce the CO2 emissions from 217,936 MT to 184,536 MT on vessels operated by Seatruck. The main driver for this significant reduction is the international requirement to use low sulphur fuel or scrubbers, which became effective January 2020. We had decided to not install scrubbers and instead use low sulphur fuel, which we also believe is the overall more environmental friendly choice.

It is incredibly important to ensure that there are no leakages from our vessels and have the goal that there shall be no oil spill from our vessels. This was met during during 2020.

ANTI-CORRUPTION

Seatruck Ferries operates on the Irish Sea. Corrupt practises might not be a widespread problem in this area of the world, with United Kingdom ranking as number 11 and Ireland as number 20 on Transparency International corruption perception index for year 2020. Seatruck Ferries is covered by the Anti-Corruption policies and training program adopted by the Clipper Group and have set as a goal that all employees working onshore and ashore shall receive training in handling requests for bribe, facility payments and other corrupt practises. Seatruck Ferries are together with Clipper Group preparing the training program. No employees have been trained yet during 2020.

SEATRUCK

Summary of focus areas and goals

Focus Area	UN SDGs	Goals 2020-2022	Progress 2019	Progress 2020
Human Rights & Labour standards		Number of fatalities for Seatruck employees shall be zero	Seatruck had zero fatal incidents in 2019	Seatruck had zero fatal incidents in 2020
		Number of fatalities for Contractors' employees working in connection with Seatruck vessels shall be zero	Seatruck's Contractors' had one fatal incident in 2019 in connection with Seatruck vessels	Seatruck's Contractors' had zero fatal incidents in 2020 in connection with Seatruck vessels
		Number of near miss reports in average per vessel shall increase each year	Average reporting's per month of 2019 was 1,6*	Average reporting's per month of 2020 was 2,5*
		Retention rate shall each year be above 90 % for both on shore and off shore employees	The overall retention rate was 92% for 2019	The overall retention rate was 90% for 2020
People & Diversity		Percentage of female crew members working ashore shall be 5 % at the end of 2022	1% of crew members working off-shore were female	1% of crew members working off-shore were female
		Percentage of female managers with people responsibility shall increase each year	28% female managers by ultimo 2019	31% female managers by ultimo 2020
		Number of nationalities shall be above 5 each year	6 different nationalities by ultimo 2019	6 different nationalities by ultimo 2020
Environment & Climate		  	<p>Oil spill (>1 barrel) shall be zero each year</p> <p>CO2 emissions measured as CO2 per ton-mile shall decrease each year</p>	<p>Zero percent oil spill by ultimo 2019</p> <p>Total CO2 emission measured in 2019 was 217,936 mts**</p>
Anti-corruption		All employees working on shore and ashore shall have received training	Not a 2019 goal.	Training has not been initiated.

*Average miss reports per month for all vessels owned and/or managed by Seatruck (2019:9 vessels, 2020: 9 vessels)

**Measured for all vessels owned and/or managed by Seatruck (2019: 9 vessels, 2020: 9 vessels)

COMPANY INFORMATION

Clipper Group Ltd.

Sundkrogsgade 19

DK-2100 Copenhagen

Denmark

VAT No. 34 03 45 08

Tel: +45 11 80 00

www.clipper-group.com