

Communication on Progress (CoP)

Period covered by our Communication on Progress (CoP): August 2020 – August 2021

1. Statement of continued support by the Chief Executive Officer

18 August 2021

To our stakeholders: I am pleased to confirm that Vow ASA reaffirms its support to the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its ten principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Yours sincerely,



Henrik Badin

CEO

2. Description of actions

2.1 Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

What we have done:

Vow regards human rights as fundamental to good and ethical business practices. Thus, through the Vow CSR guidelines the group is committed to respect human rights as described in international human rights conventions, such as the UN Convention on Human Rights and the labour rights conventions of the International Labour Organization (ILO).

In the CSR guidelines it states that Vow is committed to respecting fundamental human and labour rights, both internally and externally through business partners, suppliers, customers and others who are directly affected by the group's activities. Furthermore, the group works systematically with important issues such as non-discrimination, the right to privacy, the right to negotiate, employment contracts, protection against harassment and management-employee collaborations. This is continuous work for both the present and the future.

In 2020/2021 Vow has started the work on enhancing the focus on human and labour rights in the company code of conduct, as well as in the code of conduct for suppliers and supplier reviews. As part of the group's work on sustainability, Vow has set goals to enhance efforts on human and labour rights in the selection and review of suppliers in 2021, and in 2022 Vow will report on the ratio of suppliers reviewed.

2.2 Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

What we have done:

Vow sees a strong link between commitment to human rights and to commitment on labour rights. The group is continuously working to ensure safe working conditions for our employees, and to make sure the group use responsible suppliers that adhere to the same principles. Vow has a zero tolerance towards, forced labour, child labour, discrimination and barriers against freedom of association and the right to collective bargaining. To guide the group, Vow adheres to the following initiatives and principles:

- UN Global Compact (UNGC)
- OECD Guidelines for Multinational Enterprises (OECD Guidelines)
- The UN Guiding Principles on Business and Human Rights
- The International Bill of Human Rights

In Vow's Sustainability Report for 2020, one can find a description of these initiatives.

Vow regards its employees as the cornerstone of the business and is proud to have employees from 18 nationalities spread across four countries. Yet the group recognise that the gender balance is a topic that needs more attention. In 2020, Scanship AS in Norway had a new record of female employees. Moreover, the gender ratio for new hires was 50/50, an important step in the right direction.

The well-being and safety of employees are of highest importance for the group. Therefore, Vow will perform annual employee satisfaction surveys to map out the needs, expectation and ideas of the group's employees. Vow also has a goal of increasing human capital development initiatives to provide employees with up-to-date and relevant industry and business knowledge.

As previously mentioned, Vow will also put emphasis on labour rights in supplier code of conducts and supplier reviews to make sure suppliers adhere to the same standards and principles as Vow. The goal is to report in 2022 on the ratio of suppliers reviewed in 2021.

2.3 Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

What we have done:

As a group offering technical solutions to mitigate climate change, Vow puts the environment at the heart of business operations and strategy. The precautionary principle is and will continue to be a part of Vow's foundation for responsible business conduct.

This year the group has started to collect data on the group's environmental footprint in order to estimate the group's own impact on the environment. Vow is looking at multiple in-house environmental indicators. Having a solid dataset on the group's environmental footprint will help create even better environmental policies for the group. Vow recognises that in-house environmental initiatives are important just like the climate change mitigation solutions the group can provide to customers.

Goals for 2021 are to implement environmental topics into travel policies and implement efficient recycling in all offices. In addition, the group will work on promoting a climate friendly lifestyle with awareness campaigns tailored to each of the offices.

For the group's contribution to the United Nations' Sustainable Development Goals (SDGs), see Vow's Sustainability Report for 2020.

Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

What we have done:

Vow does not tolerate corruption and expects all managers and procurement officers to promote a strong anti-corruption culture in their department. The companies make active efforts to prevent undesirable conduct and to ensure that their employees are capable of dealing with demanding situations. Vow recognises its responsibility as an international business actor to continuously promote anti-corruption. Therefore, Vow will enhance efforts on anti-corruption in selection and review of suppliers and ensure that all employees receive training in the group's Code of Conduct during 2021, where emphasis is put on anti-corruption.

2.4 Summary of goals for 2021

Vow has developed goals for topics related to human rights, labour, environment and anti-corruption:

- Report on scope 1 and scope 2 emissions in 2022 for 2021
- Ensure recycling in all offices
- Implement ESG criteria in selection and review of suppliers
- In 2022, report on ratio of suppliers reviewed in 2021
- Implement environmental topics in travel policy
- Perform annual employee satisfaction survey
- Increase human capital development initiatives
- Increase health initiatives for employees
- Training in Code of Conduct for 100% of employees

3. Measurement of outcomes

During the reporting period, there have been:

- No breaches of human rights legislation
- No injuries or accidents causing material damages or personal injuries
- No non-compliance with environmental laws or regulations
- No incidents of anti-corruption

In our next Communication on Progress (CoP), we will report on several measurements and on results of the goals set for 2021.