

SUSTAINABILITY

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SUSTAINABILITY IN NORDEN

Operating at the heart of global trade, NORDEN is committed to helping customers decarbonise their supply chains, setting high standards within diversity, equality and inclusion and taking a firm stance against all forms of corruption.

Strategy and focus areas

Our sustainability strategy is incorporated into our business strategy and supports NORDEN's purpose of enabling smarter global trade. The sustainability strategy has three focus areas: Climate & Environment, People and Anti-corruption. The three areas direct our efforts and overall aims within sustainability and are used to map each of the United Nations Sustainable Development Goals (SDGs) of particular relevance to our business activities. Further information on NORDEN's business model and units can be found in the Business units section of this report.

The focus areas and targets are defined by NORDEN's overall commitment to take a leading role in driving sustainability agendas forward within shipping. In the short-term, this is achieved by making gradual improvements in our shipping solutions, ensuring a more diverse and inclusive employee culture as well as upholding strict anti-corruption measures. In the long-term, we have set ambitious climate commitments for where NORDEN wants to be in 2030 and 2050. Likewise, our long-term diversity target is to have a gender balance of minimum 40% female employees, managers and shareholder-elected board members in 2025.



NORDEN'S SUSTAINABILITY FOCUS AREAS



Climate & Environment



Focus area Decarbonisation and logistic solutions

Helping our customers decarbonise their supply chains. We provide customers with accurate transparency on the carbon footprint of every ocean freight transport, and we work with our partners to co-create competitive greener shipping solutions.

Read more in the Climate & Environment chapter on page 47

Targets

Provide our customers with accurate transparency on carbon emissions

Competitive greener shipping solutions for our customers by 2022

Relative carbon emissions from our operations below the Sea Cargo Charter reduction trajectory

Only order vessels with zero-emission technology from 2030 at the latest

Net-zero emissions from our operation by 2050



People



Focus area Diversity, wellbeing and engagement

We embrace diversity and understand that everyone plays an important part in the company. We strive to continuously ensure a diverse and inclusive culture promoting justice, impartiality and fairness. Furthermore, the physical and mental wellbeing of employees will be a dedicated focus area for NORDEN in 2022.

Read more in the People chapter on page 51

Targets

Female share of employees: At least 40% in 2022 (2021: 39%)

Female share of managers: At least 36% in 2022 and at least 40% in 2025 (2021: 36%)

Female share of shareholder-elected members of Board of Directors: At least 40% in 2025 (2021: 33%)



Anti-corruption



Focus area Bribery and facilitation payments

Corruption impedes access to global markets and constitutes barriers to economic and social development around the world. NORDEN has zero tolerance towards bribery, and our policy is to refuse facilitation payments.

Read more in the Anti-corruption chapter on page 56

Targets

Zero tolerance towards bribery and refusal of facilitation payments

All eligible employees to take and pass NORDEN's anti-corruption training as well as NORDEN's sanctions and trading restrictions training

Communication on progress

NORDEN has been a UN Global Compact signatory since 2009, embracing a focus on how to act responsibly as a business. NORDEN reports annually to the UN Global Compact, and this annual report functions as our communication on progress for the financial year 2021. NORDEN's CEO, Jan Rindbo, comments: "*NORDEN continues its long-standing support of the UN Global Compact and has embedded practices safeguarding the principles relating to human rights, labour, environment and anti-corruption into our operations*".

This report also represents our statutory statement on social responsibility, under-represented gender and diversity as well as data ethics in accordance with sections 99a, b & d and 107d of the Danish Financial Statements Act.

Governance

NORDEN's Sustainability Executive Body, which is chaired by NORDEN's CEO and consists of members of Senior Management, including heads of NORDEN's business units, is ultimately responsible for NORDEN's sustainability strategy, focus areas, ambition level and policies.

Furthermore, NORDEN seeks to engage in dialogue with our stakeholders to identify the most important issues within the three overall sustainability areas. NORDEN's key stakeholder groups are our customers, suppliers, employees, shareholders, financiers, industry associations, partner organisations and regulators.

Sustainability Committee

NORDEN's management continuously encourages employee engagement towards the sustainability agenda in NORDEN. An example is NORDEN's Sustainability Committee, which consists of employees who are motivated by making an impact on

the One Sustainable NORDEN agenda as part of working in NORDEN. The Committee acts as an informal idea platform for discussing and collecting initiatives from around the organisation, acts as a sounding board for the Sustainability Executive Body and actively advocates sustainability initiatives. The scope of ideas is related to sustainability mainly in the offices.

Sustainability risks

The material sustainability risks inherent in NORDEN's value chain, pursuant to the Danish Financial Statements Act §99a, are outlined in the Risk management section of this report.

EU Taxonomy

The EU Taxonomy initially requires public interest entities to disclose to what extent their activities are covered by the Taxonomy and to subsequently report whether their activities can be considered sustainable under the provisions set out in the Taxonomy. NORDEN's activities primarily comprise shipping activities and related services which are generally considered to be eligible under the Taxonomy.

Turnover

Turnover as defined in the Taxonomy is generally considered to be equivalent to Revenue as defined by IFRS and recognised in the consolidated income statement. The activities generating revenue are generally considered to be eligible under the Taxonomy except that chartering out vessels is

not considered an eligible activity. Income earned from the administration of pool arrangements is not considered eligible under the Taxonomy. Such income is presented as Other operating income and not as Revenue.

Capital expenditures

Capital expenditures as defined in the Taxonomy are considered equivalent to the additions to Vessels and Prepayment on vessels and newbuildings as set out in note 3.1 in the Consolidated Financial Statements and additions to Right-of-use assets as set out in note 4.7 in the Consolidated Financial Statements.

Capital expenditures incurred are generally considered to be eligible under the

Taxonomy except if capital expenditures are incurred directly relating to chartering out vessels.

Operating expenditures

Operating expenditures as defined in the Taxonomy are considered to be expenditures directly related to chartering, maintaining and operating vessels and equivalent to Vessel operating costs as presented in the consolidated income state-

ment. Overhead and administrative costs as presented in the consolidated income statement comprising salaries to onshore employees, office expenses etc. are generally not considered covered by the Taxonomy's definition of Operating expenditures.

Operating expenditures incurred are generally considered to be eligible under the Taxonomy except if relating to vessels chartered out.

Eligibility estimates for 2021 results

Percentage of activities eligible under the Taxonomy's provisions around:

	Turnover	Capital expenditures	Operating expenditures
Shipping activities eligible under 6.10 - Sea and coastal freight water transport, vessels for port operations and auxiliary activities	73%	99%	85%
Percentage of not-eligible activities	27%	1%	15%
Total	100%	100%	100%

CLIMATE & ENVIRONMENT



NORDEN's climate strategy outlines a clear ambition and firm commitments for how NORDEN will take a leading role in helping our customers decarbonise their supply chains.

The transition to greener shipping will be among the biggest transformations in NORDEN's 150-year history. As an integrated part of the global supply chain, NORDEN is committed to helping our customers decarbonise their activities and contributing through industry-wide partnerships. NORDEN advocates ambitious industry targets on emission levels and increased regulatory standards through sector-wide bodies, including Danish Shipping, IMO, BIMCO, the Sea Cargo Charter and the Getting to Zero Coalition. Furthermore, NORDEN is proud to be a corporate partner of the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping, which works with stakeholders across the industry as part of a joint mission to decarbonise the maritime sector.

NORDEN's climate and environment goals meet the United Nations International Maritime Organisation's (IMO) carbon reduction strategy and goals, and NORDEN aims well beyond this by aligning with the climate ambitions outlined by the Danish government's climate partnership with

the Danish maritime sector of achieving carbon neutrality in 2050.

During 2021, we refined our decarbonisation focus and outlined five climate commitments (see page 45) that will form the basis of our future efforts.

Performance in 2021

CO₂ levels emitted from NORDEN's operated vessels are measured as relative emissions per tonnes-miles, which is used to calculate energy efficiency. This is quantified as the amount of carbon output relative to transporting one tonne of cargo for one nautical mile. NORDEN reports on this output by applying the Energy Efficiency Operational Indicator (EEOI).

NORDEN's overall relative CO₂ emissions, EEOI, were 8.6 grammes CO₂/tonne-mile in 2021. NORDEN's performance was negatively impacted by operating vessels at higher speeds and operating relatively more small Handysize vessels which are less efficient. However, this was offset by the inclusion of vessels on time-charter out in the EEOI measurement, since in NORDEN's case, vessels on time-charter out have higher efficiency than the average fleet.

This shows how the EEOI score is easily affected by changes in vessel types within the entire portfolio. As NORDEN's portfolio

of vessel types changes continuously in line with the Company's agile business model and customer demand, it can render the gradual developments in overall EEOI score less informative.

To ensure a more transparent and comparative measurement across peers, NORDEN intends to benchmark relative emissions for our operated vessels against the trajectory set forth by the Sea Cargo Charter.

NORDEN's aim is to keep relative emissions below the yearly limit outlined in the Sea Cargo Charter trajectory. NORDEN's relative emissions are currently in line with the trajectory. Furthermore, NORDEN aims to reach net-zero emissions from our operations in 2050, which means that the Company's relative emissions are set to reduce even sooner than the Sea Cargo Charter trajectory outlines.

From an operational viewpoint, NORDEN utilises average vessel performances to predict future voyage emissions. During 2021, NORDEN made it possible for customers to receive estimates on carbon emissions for each individual voyage ahead of time, and to receive an accurate summary of the emissions after completion of the particular voyage. This provides customers with improved transparency on their carbon footprint and a better foundation

for making informed choices about decarbonising their supply chains.

NORDEN is continuously seeking ways to improve the operational efficiency of our vessels in the short-term, while investigating new technologies and entering into strategic partnerships for the long-term. An integral part of NORDEN's sustainability strategy is enabling our customers to decarbonise their supply chains, through offering transparency over emissions of voyages, greener competitive shipping solutions, or by providing port logistics services to our customers. During 2021, NORDEN's newly established Logistics & Climate Solutions department announced its first port logistics project. By providing project-based port logistics and transshipment services, NORDEN will provide customer services beyond the standard freight services by enabling larger vessel types to transport heavier cargo loads to destinations with limited port infrastructure. This also helps customers decarbonise their supply chains by transporting cargos more efficiently on fewer voyages.

NORDEN's Fuel Efficiency & Decarbonisation team is directly involved in projects to investigate and develop future fuels and new zero-carbon technologies, using our vessels as test laboratories. During 2021, after years of rigorous testing on our vessels, NORDEN has received the required

permit to use 100% biofuel, being among the first-movers in the dry cargo sector. We can now offer customers freight transport using second-generation biofuel produced from waste sources. This is the first of many steps towards creating competitive greener shipping solutions. NORDEN is committed to incorporating several additional decarbonisation initiatives intended to positively affect emission levels in 2022 and onwards.

Key partnerships in 2021

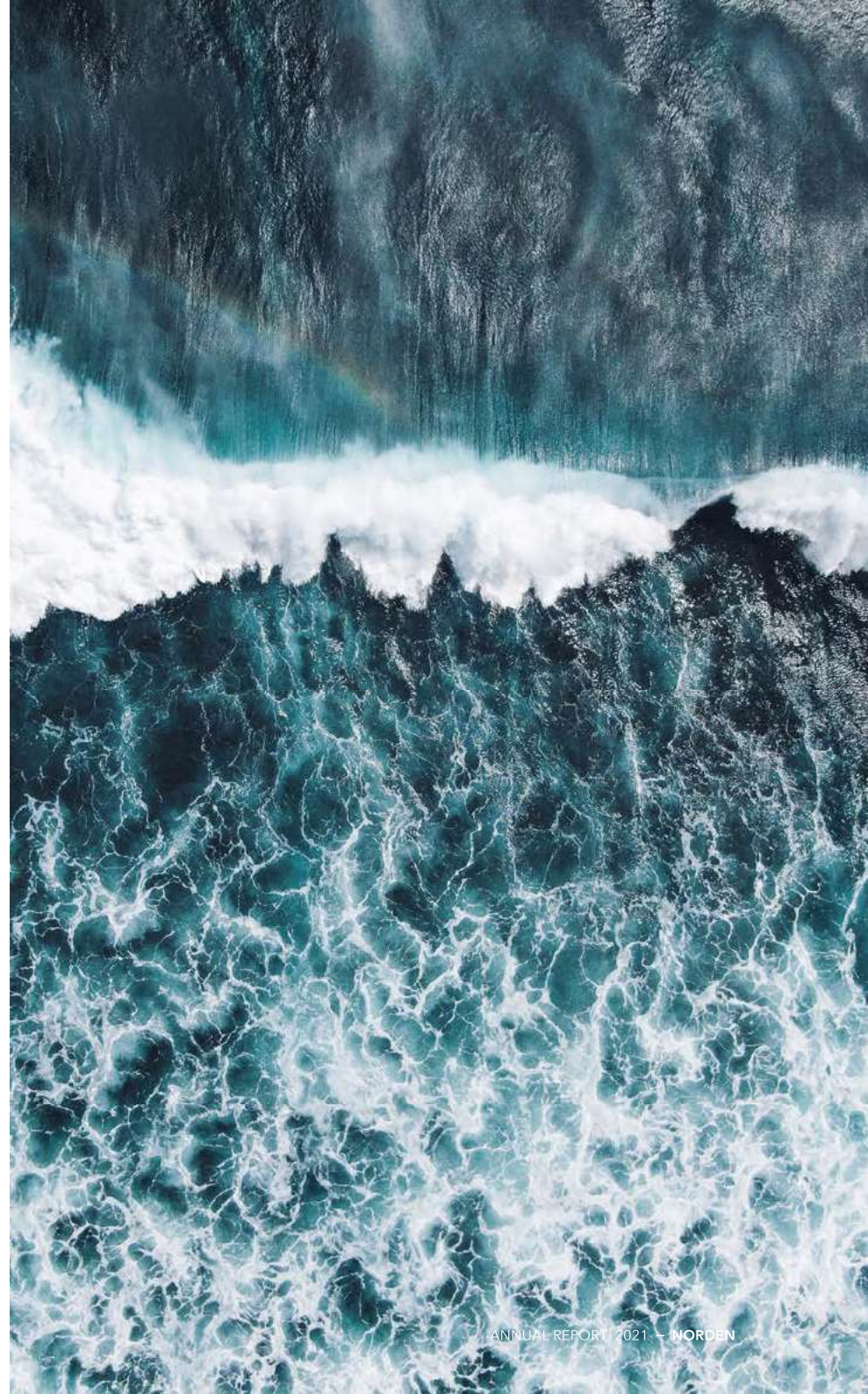
NORDEN collaborates with recognised shipping and environmental partners in the development of new alternative fuels and propulsion methods as well as with recognised forums to raise awareness, transparency and promote the need for ambitious targets and transparent benchmarking.

In 2021, NORDEN signed a partnership agreement with the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping, which is an independent, not-for-profit, research and development centre launched with support of the A.P. Møller Foundation. The centre works across the shipping industry, collaborating with companies, academia and authorities, with an intention to accelerate the transition to a greener future for shipping. As a strategic partner, NORDEN can contribute directly to the work of the centre on projects related to the development and implementation of

future fuels and zero-carbon technologies. For example, NORDEN will provide 'sailing laboratories' – using our owned vessels to carry out tests of new fuels or alternative wind propulsion systems. Specialists from NORDEN's decarbonisation team, as well as technical and commercial colleagues, provide their expertise on various projects as part of the partnership.

NORDEN and Spanish engineering company Bound4Blue completed a feasibility study in 2021 with the objective of examining the possibility of installing wind sail technology on one of NORDEN's vessels and hereby determine the fuel savings and CO₂ reductions created by the sails during normal operation. NORDEN is exploring opportunities of installing the technology on a leased vessel.

NORDEN is a member of the Getting to Zero Coalition, which during 2021 formed the Call to Action for Shipping Decarbonization initiative, developed with members from the entire maritime ecosystem. NORDEN became a signatory to the Call to Action initiative, as we believe that decarbonising shipping by 2050 is necessary and achievable. The Call to Action initiative was communicated to world governments in November 2021, in advance of COP26. As a supporter of the initiative, NORDEN is committed to taking concrete action to help ensure that zero-emission vessels and



fuels become the default choice by 2030, and with this collaboration we call on world governments to enable an urgent and equitable decarbonisation of the shipping industry.

NORDEN participates in several partnerships with a view to reducing CO₂ emissions including:



ecovadis

Mærsk Mc-Kinney Møller Center
for Zero Carbon Shipping



CLIMATE & ENVIRONMENT PERFORMANCE SUMMARY



Climate

Environment

NORDEN's ambition	<ul style="list-style-type: none"> • Provide our customers with transparent reporting of emissions • Provide our customers with greener shipping solutions • Reduce relative CO₂ emissions from our operations in line with the Sea Cargo Charter reduction trajectory • Only order vessels with zero-emission technology from 2030 at the latest • Net-zero emissions from our operations by 2050 	<ul style="list-style-type: none"> • 0 oil spills into water • Ensure continuous sulphur emission compliance
Performance 2021	<p><i>Energy efficiency:</i></p> <ul style="list-style-type: none"> • EEOI: 8.6 g CO₂ / tonne-mile <p><i>Initiatives</i></p> <ul style="list-style-type: none"> • Transparent voyage emissions reports for all customers • Received required permit to use biofuel and now able to offer freight solutions using second-generation biofuel produced from waste sources • First port logistics project initiated, helping customers decarbonise supply chains • Feasibility study completed with Bound4Blue on the possibilities of installing wind sail technology on one of NORDEN's vessels 	<p><i>Oil spills</i></p> <ul style="list-style-type: none"> • Oil spills (> 1 barrel): 0 <p><i>Emissions</i></p> <ul style="list-style-type: none"> • SOx: 15 thousand tonnes, in line with 2020 • NOx: 130 thousand tonnes, a decrease of 3% from 2020 <p><i>Certifications</i></p> <ul style="list-style-type: none"> • CDP certification renewed • EcoVadis certification renewed
Looking ahead	<ul style="list-style-type: none"> • Further investigate fuel efficiency and low-carbon shipping options, as well as logistical optimisation of ports and decarbonisation of supply chains for selected customers • Develop and implement greener shipping solutions for customers, ranging from using advanced analytics for increased vessel efficiency to carbon-neutral biofuel sailings 	
Relevant policies	<ul style="list-style-type: none"> • NORDEN has not formalised the Company's principles into a Climate & Environment policy, as the Company is focused on continuously evolving our climate strategy with updated short and long-term targets, initiatives and commitments. The Company has currently prioritised a more developmental and action-oriented approach, emphasising concrete targets, taking a range of new actions, developing new initiatives, forming new long-term commitments, testing new fuel types and entering into new industry partnerships. In addition, NORDEN complies with industry policies and charters as outlined below: • Supplier Code of Conduct: The provisions set forth in this code, part of NORDEN's General terms and conditions, provide the minimum expectations to suppliers in regard to climate and environment. • The Sea Cargo Charter Clause. The clause requires a duly completed fuel emission report after completion of a voyage and must be included in all charter parties entered by NORDEN • The Climate policy for Danish Shipping of November 2019. The policy describes expectations for the shipping industry, including a zero-carbon industry by 2050 and the first carbon-neutral vessels by 2030 • IMO's Greenhouse Gas Reduction Strategy 	<ul style="list-style-type: none"> • Responsible Ship Recycling policy. NORDEN's business model involves operating a modern portfolio of vessels, selling and re-delivering vessels long before end-of-life. Even though we rarely recycle ships, NORDEN has standards in place to conduct this in a legal, ethical and socially responsible manner

PEOPLE



The people at NORDEN are our most important resource. NORDEN strives to further strengthen our position as an attractive employer that offers an inclusive, engaging, healthy and safe working environment in which all employees have equal opportunities to realise their potential.

Employee wellbeing

NORDEN is intent on providing a working environment that accommodates wellbeing, collaboration and performance. During 2021, employees across NORDEN have taken part in a wellbeing campaign designed to enable life-changing healthy habits. The 'Moving Beyond 150' campaign was launched in connection with NORDEN's 150th anniversary as a way of celebrating employees and focusing on living a long and healthy life. The campaign was focused on enabling small but impactful lifestyle changes in physical and mental health while supporting a healthy work-life balance, with experts on nutrition, sleep and fitness on hand throughout the journey. A combined reduction of body age by 721 years was achieved. The campaign also gave a much-needed boost to employees whose working lives were impacted by local COVID-19 restrictions.

In line with the COVID-19 pandemic, employees have adapted to working in new and more flexible ways, which NORDEN seeks to promote, while enabling a strong culture and working relationships across the organisation. A trial was initiated to assess opportunities and constraints in new flexible working arrangements, and based on these learnings, new guidelines will be introduced in 2022 and will be continuously evaluated. Despite the difficult circumstances related to COVID-19 restrictions across offices, NORDEN's bi-annual engagement surveys confirm the ongoing high engagement and wellbeing of our employees.

During 2022, we will increase our focus on employee wellbeing, introducing new health and wellbeing initiatives and prioritising physical and mental health as a natural part of working in NORDEN. These initiatives aim to build resilience, ensure wellbeing as well as enable all employees to operate as a globally connected team.

Diversity, Equity and Inclusion

NORDEN believes diversity to be a strength and therefore works actively to ensure diversity, equity and inclusion. In recent years, we have improved our overall diversity by bringing in employees with backgrounds other than the traditional shipping profile, opening up for different viewpoints and ways of thinking. By creating an organisation with a diversity of gender, nationalities, ages, levels

of experience and education, we aim to bring all employees' unique contributions into our operational foundation. In 2021, we added questions in the regular engagement surveys on how inclusive the culture in NORDEN is perceived, and the responses are split into gender groups to address any imbalances in our culture, processes and communication.

NORDEN has developed a new Diversity, Equity & Inclusion policy, which supports the aforementioned principles and helps ensure that NORDEN will continue to be a sustainable, trusted and inclusive organisation. NORDEN encourages more women to join the shipping industry, and therefore the business units and support functions in NORDEN have received targets in relation to levelling the current gender ratio, and managers have diversity related targets as part of their performance evaluation.

Parental leave

In NORDEN, we strive to create an encouraging culture that embraces and normalises paternity leave. We strive to not discriminate on the basis of gender or family configurations, and therefore employees who become fathers or co-parents/guardians across all locations will receive 12 weeks of paid paternity/parental leave regardless of seniority in NORDEN. NORDEN also actively contributes to closing the gender gap in pension savings



Female share of employees
in 2021

39%

by continuing the employer-paid pension during unpaid parental leave. Saving up for paid vacation will likewise not be affected during unpaid parental leave. To ensure formal mechanisms that help parents reintegrate after leave, it will be possible for employees to apply for an internal parental mentor and take part in a cross-industry parental leave café.

Diversity in management

Diversity is an equally important factor in terms of managerial positions in NORDEN. Managerial levels range from the Board of Directors to Senior Management to managers of managers. The members of NORDEN's Board of Directors cover a wide range of competencies and experiences within international shipping, finance, investment, strategy, digitalisation and risk management, from both Danish and international business. This combination is considered desirable as it ensures a broad approach to tasks and contributes to en-

ensuring qualified governance of NORDEN’s strategic direction.

Likewise, gender balance on a managerial level is desirable and pursued on an ongoing basis in NORDEN, as part of ensuring a diverse range of management skill sets and composition and promoting equal opportunity in NORDEN’s organisation.

NORDEN’s recruitment process enables managers to focus on promoting equality and broadening opportunities for new and existing talents. This includes looking for managerial candidates with backgrounds other than shipping, and in addition actively mitigating any potential biases that might influence the decision-making process when hiring. This is to ensure that NORDEN always hires on the basis of qualifications, potential to develop and ability to deliver.

NORDEN also strives to cultivate an inclusive mindset among managers and has

among other initiatives during 2021 introduced an Unconscious Bias Training in the US, as well as anti-harassment surveys and training sessions to help increase awareness.

In the Board of Directors, shareholder-elected women represented 33% (two out of six) of the board members in 2021, reaching NORDEN’s own target and the target set out by the Danish Business Authority. NORDEN’s aims to have a minimum of 40% shareholder-elected female board members in 2025. The share of women in managerial positions in NORDEN was 36% in 2021, up from 31% in 2020. NORDEN aims to increase this share to 40% by 2025. During 2021, NORDEN has increased awareness of including female candidates as part of the recruiting process for managerial roles. In addition, our process for assessing internal career opportunities has received increased focus on creating equal opportunities for both men and women.

Gender diversity

	2021	2020	2019
Female share of total workforce (%)	39	36	33
Female share of Board of Directors (%)	33	33	33
Female share of Senior Management (%)	21	29	29
Female share of Managers of Managers (%)	24	26	15
Female share of Managers (%)	36	27	25

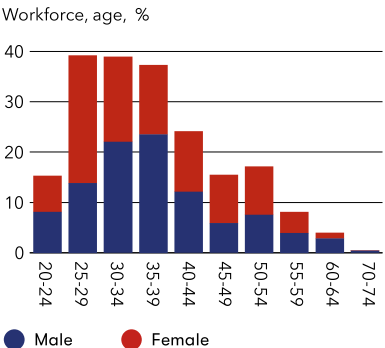
Talent attraction and education

Striving to close the financial gender gap, NORDEN has teamed up with Female Invest – a financial educator founded by women and targeting women, who are traditionally underrepresented within investment communities. All NORDEN employees were invited to participate in an introduction to investing and was offered a membership to help get started on their investment journey. Conversely, NORDEN has provided introductory webinars for Female Invest, with the purpose of educating women on investing in the shipping industry. Furthermore, we maintain a strong focus on our strategic partnerships with relevant universities globally - mainly Singapore Management University and Copenhagen Business School.

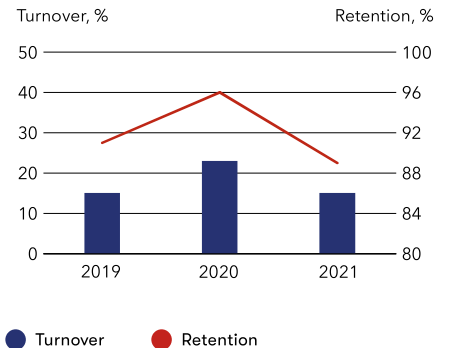
It is important for NORDEN to ensure the company has the right employee competencies to support our long-term strategy. As part of this, NORDEN focuses on incorporating entry-level positions for shipping graduates and analytical graduates, while recruiting new talents with backgrounds other than shipping. The demand for support from in-house functions such as Advanced Analytics & Digital Solutions, Risk Management and Market Research underlines the need for having a broad range of employee competencies present throughout the organisation.

Furthermore, NORDEN supports the education of future shipping profiles through a broad range of scholarships, internships, advisory board participation as well as

Workforce demographics on shore



Retention and turnover on shore



guest lectures to ensure industry relevant alignment to the academic field.

Retention and turnover

Continued growth in activity and required skill sets demands a focus on attracting, retaining and developing skilled employees. In 2021, the retention rate for employees in NORDEN's offices was 89%, which is considered satisfactory, secures continuity and preserves knowledge and skills in the organisation. The focus on talent retention is also reflected in ongoing engagement surveys, which assess whether employees feel empowered, have access to the information needed and understand their contribution to the overall goals of NORDEN. In 2021, NORDEN conducted two employee engagement surveys, which showed that the level of engagement and motivation is very high among employees. As expected, employee turnover was lower during 2021 compared to 2020 where several organisational restructures took place.

Health and safety

NORDEN is committed to fostering the best possible working environment, where health and safety are our top priorities. Creating such a workplace necessitates a level of responsibility among employees to safeguard their own and their colleagues' safety, as well as follow our Health & Safety policy and for NORDEN to implement preventive actions where necessary.

2021 was the first year of operating without in-house technical management, which was transferred to the joint venture NORDEN Synergy Ship Management in Q3 2020. While the technical management of owned vessels is outsourced, we still set the same high standards for safety on board and ensure that external managers meet these standards.

Operating at sea involves safety and security risks that must always be managed carefully to safeguard the vessels, cargo and crew at sea. NORDEN operates by the principle that no injury or environmental incident is acceptable. In 2021, there was a slight increase in the number of injuries where crew members were unable to work the next day (primarily related to fingers, knees and back injuries).

Fatalities at sea related to work safety amounted to 0 in 2021. However, with ongoing COVID-19 outbreaks presenting themselves across the various regions in which NORDEN operates vessels, this led to a captain on board a NORDEN vessel becoming infected with COVID-19 during mid-2021, which ended with a fatal outcome. NORDEN together with NORDEN Synergy Ship Management provided support to the family throughout this very unfortunate period, staying in constant dialogue with local legal and insurance representatives to help the family, while ensuring that all logistical and practical circumstances were handled in accordance with the family's wishes.

We continuously strive to identify any adverse COVID-19 developments among crew on board NORDEN's vessels and ensure that appropriate actions are taken to prevent and mitigate these.

Crew changes related to COVID-19 lockdowns in ports continued to be a challenge during 2021. As a result, seafarers on board NORDEN vessels experienced long periods at sea and difficult working conditions. Furthermore, employees in several of NORDEN's global offices have experienced prolonged local lockdown measures, and travel between offices has not been as frequent. We would like to thank all seafarers on board NORDEN's vessels, as well as our onshore employee, acknowledging their extraordinary efforts and patience in this unprecedented situation.

Human rights

Assessing human rights violations is an important and complex task for a globally operating company like NORDEN, which is part of a global supply chain, operating with hundreds of customers, suppliers and partners in different regions. Implementing the necessary policies, due diligence processes and grievance mechanisms, in line with the requirements set by the UN Guiding Principles for Business and Human Rights, is a continuous process in NORDEN. In 2021, we updated our Human Rights policy.

Conducting business in a legal, ethical and socially responsible manner is integral to NORDEN and in alignment with our company values. We are committed to ensuring that no form of slavery or human trafficking occurs in any part of our business or supply chain. In 2021, NORDEN adopted the Modern Slavery Act for respecting human and labour rights as operationalised by the UN Guiding Principles on Business and Human Rights. In addition, all employees are subject to NORDEN's Employee Code of Conduct, which outlines the conduct expected in the company, covering anti-corruption, environment, safety, social conditions and compliance matters.

During 2021, NORDEN continued to focus on how to mitigate sexism and harassment in the workplace. NORDEN does not tolerate any cases of harassment and finds it vital that employees regard NORDEN as a safe and inclusive workplace. To support this, NORDEN conducted a follow-up survey on harassment, measuring potential harassment incidents in the workplace and during external company related events (customer meetings, dinners, courses, etc). The survey outlined a need for NORDEN to provide clearer guidance and procedures for reporting harassment, thereby ensuring that all employees know who to reach out to and how to follow up on any case of experienced harassment.



PEOPLE PERFORMANCE SUMMARY



People

NORDEN's ambition

- Be a truly value-driven company, which challenges, develops and empowers our employees
- Become the preferred choice to work in our industry throughout our employees' different career lifecycles and remain an attractive, relevant and responsible employer to all current and future employees
- Attract people with new and broad-based skill sets as well as different backgrounds
- Achieve an industry-best engagement level with a focus on trust, development and ambition in every team across our global offices
- Become a truly diverse company, where equal opportunity is a given, and different intelligences are embraced
- Ensure that NORDEN's ambition is visible and clear to all of our stakeholders
- Female share of employees: At least 40% in 2022
- Female share of managers: At least 36% in 2022 and at least 40% in 2025
- Female share of shareholder-elected members of Board of Directors: At least 40% in 2025

Performance 2021

Diversity

- 40 nationalities
- 36% female share in managerial positions, 21% female share in Senior Management, 33% female share in the Board of Directors
- All business units have received targets to close the current gender ratio gap
- Implemented a Diversity, Equality & Inclusion policy to ensure that NORDEN continues to be a sustainable, trusted and inclusive organisation
- Implemented improved conditions for maternity and paternity leave

Engagement and turnover

- Two engagement surveys conducted in 2021 with high scores in engagement, motivation and inclusion
- 15% turnover (voluntary and involuntary leavers)
- 89% retention (voluntary leavers)

Education

- Onboarded three interns as part of their education at Copenhagen Business School, four Commercial shipping graduates and three Port captain trainees

Looking ahead

- Continue the efforts to build a diverse and inclusive culture with equal opportunities
- Revitalise our global development programme "Soulship", which targets all employee and managerial groups by giving access to training and furthering skills within remote leadership, energy management, inclusion, change management, coaching and sustainable leadership
- Focus on the health and wellbeing of our employees through our Sustainable Employee initiative
- Offer selected students in lower secondary school with limited resources an opportunity to receive a week's work experience at NORDEN

Relevant policies

- Employee code of conduct: The code describes the ethical, social and environmental behaviour, which every employee, regardless of position, should adhere to when working at NORDEN
- Diversity, Equity & Inclusion policy: NORDEN commits to continuously ensuring a diverse and inclusive culture, promoting justice, impartiality and fairness by specifying our ambition, approach and commitments. The policy sets forth commitments and initiatives in order to foster an inclusive work environment, where diversity is promoted, and all people are treated in a fair and equal manner

PEOPLE

PERFORMANCE SUMMARY - CONTINUED



Health and safety

Human rights

NORDEN's ambition	<ul style="list-style-type: none"> • Zero fatalities • Lost Time Injury Frequency below 0.8 	<ul style="list-style-type: none"> • Ensure that NORDEN conducts business with respect for human rights
Performance 2021	<ul style="list-style-type: none"> • Lost Time Injury Frequency rate increased from 0.6 per million working hours in 2020 to 0.8 in 2021 • The number of fatalities at sea related to work safety was 0 	<ul style="list-style-type: none"> • Completion of a harassment survey in 2021, measuring workplace wellbeing as a follow-up on a previous survey in October 2020 • Focus on anti-harassment measures in the organisation
Looking ahead	<ul style="list-style-type: none"> • Continued high focus on safety and close monitoring of Lost Time Injury Frequency rate with external vessel managers 	<ul style="list-style-type: none"> • Develop a new human rights impact and risk assessment of NORDEN in line with our Human Rights policy • Continue to promote a safe working environment for everybody without any kind of harassment
Relevant policies	<ul style="list-style-type: none"> • Health & Safety policy: NORDEN is committed to fostering the best possible working environment where health and safety are top priorities 	<ul style="list-style-type: none"> • Human Rights policy: NORDEN's framework for human rights is operationalised by the UN Guiding Principles on Business and Human Rights. NORDEN expects all business relationships linked to NORDEN to respect the human rights • Employee code of conduct: The code describes the ethical, social and environmental behaviour, which every employee, regardless of position, should adhere to when working at NORDEN. It is in accordance with NORDEN's values of ambition, empathy, flexibility and reliability • Supplier code of conduct: The provisions set forth in this code, part of NORDEN's General terms and conditions, provide the minimum expectations to suppliers. These minimum expectations are based on the general principles contained in the UN Global Compact and other relevant international principles and are in line with NORDEN's values and principles on ethical and responsible business conduct • Modern Slavery act. Conducting business in a legal, ethical and socially responsible manner is core to NORDEN and in line with our values. We are committed to ensuring that no form of slavery or human trafficking occurs in any part of our business or supply chain. NORDEN's framework for respecting human and labour rights is operationalised by the UN Guiding Principles on Business and Human Rights (UNGP)

ANTI-CORRUPTION



Corruption impedes access to global markets and constitutes barriers for economic and social development. NORDEN therefore takes firm measures to prevent any form of corruption as part of our ambition to enable smarter global trade.

For businesses in the maritime industry, corruption escalates costs, endangers the safety and wellbeing of crew, while posing legal and reputational risks. In 2021, NORDEN had 10,304 port calls across 132 countries, and in some of these regions the concepts of integrity and good business conduct can vary. Therefore, NORDEN has taken several initiatives to counteract corruption, aiming for a shipping industry free of corruption, while providing a safe working environment on board NORDEN's vessels.

To create a culture of exemplary conduct with strong procedures, NORDEN has an anti-corruption compliance programme in place, including an Anti-corruption policy as well as a Gift & Entertainment policy applicable to all employees.

Furthermore, NORDEN has zero tolerance towards bribery and our Anti-corruption policy outlines a clear refusal of facilitation payments. Facilitation payments typically take place in the form of small cash pay-

ments to facilitate a favourable outcome. Extortion is when officials, by using threats, refuse to perform their duties or abuse their position of authority, resulting in improper fines and delays on vessels. NORDEN considers extortion a threat to the security on board our vessels and will have a continued focus on this. There has been a decrease in incidents over the past year, likely as a result of COVID-19, where new procedures in ports have prevented authorities from going on board vessels.

To reduce risk while ensuring compliance with legal requirements and stakeholder expectations, all NORDEN's counterparties and vessels are screened daily for sanctions. Due diligence, monitoring, controls and training are key tools in implementing the Anti-corruption policy as well as frequent reporting from external managers on demands placed by e.g. local authorities.

Employee anti-corruption and ethics training

NORDEN has launched a new anti-corruption training platform for employees, which covers topics such as anti-corruption practices, bribery and facilitation payments, gift and entertainment, conflict of interests, commissions, fraud, third-party procedures and NORDEN's whistleblower scheme.

Our external technical managers carry out anti-corruption training for seafarers on

board NORDEN's owned vessels to ensure alignment with NORDEN's Anti-corruption policy. In 2021, additional training and test courses were launched focusing on how individual employees should act with respect to sanctions compliance and will be followed up by more comprehensive sanctions compliance training during 2022.

As a general rule, NORDEN's external managers are members of the Maritime Anti-Corruption Network (MACN), which aims for a maritime industry free of corruption.

Whistleblower scheme

NORDEN is committed to providing an environment where the high NORDEN standards and best practices are encouraged and safeguarded. Since 2011, NORDEN has had an independent whistleblower scheme accessible to NORDEN's employees, including the Executive Management and Board of Directors, crew members on board NORDEN owned or operated vessels, technical managers, auditors, lawyers, external consultants, suppliers, customers and other business partners and stakeholders. Employees in NORDEN have access to raise workplace and operational concerns directly with their manager or with the HR department, or they can use NORDEN's whistleblower scheme to report anonymously. The whistleblower reports are directed to the Chairman and Vice Chairman of the Board of Directors as well as the Head of People, Communica-

tions & Sustainability. In 2021, no substantiated whistleblower reports were received.

Tax

As a company with global reach, NORDEN operates in multiple jurisdictions with different tax rules and regulations. NORDEN complies with current tax legislation of the countries in which we operate, and we comply with all applicable transparency rules including country by country reporting. In 2021, the Board of Directors updated and approved NORDEN's tax policy, available on the Company's website. NORDEN may make legitimate use of tax incentives and exemptions, but we do not use so-called tax havens according to the European Union tax haven blacklist.

Data ethics

NORDEN's business model increasingly relies on advanced analytics capabilities and use of digital solutions using vast amounts of data. Our commitment to handle data in an ethical manner is described in our Data Ethics policy, which outlines six principles for data ethics, describing how we collect, store, process and protect data for the benefit of our employees, customers, business partners and other stakeholders.

NORDEN participates in several partnerships with a view to prevent corruption and bribery while encouraging transparency and responsible supply chain management



ANTI-CORRUPTION PERFORMANCE SUMMARY



Anti-corruption

NORDEN's ambition	<ul style="list-style-type: none"> • Zero tolerance towards bribery and say no to facilitation payments • Screening of all counterparties and vessels for sanctions
Performance 2021	<ul style="list-style-type: none"> • 0 substantiated whistleblower reports received • All eligible employees have taken and passed anti-corruption training. Anti-corruption training for all eligible employees will be conducted annually • Updated the Gift & Entertainment policy to ensure that no offering or acceptance of gifts or business entertainment can be confused with bribery. Transparency is mandatory, and all received gifts must either be returned or handed over to NORDEN. The Company will then decide how to handle the gift depending on its nature • All eligible employees have taken and passed the sanctions and trading restrictions training. Sanctions compliance training for all eligible employees will be conducted annually • Implemented updated anti-corruption compliance programme and sanctions compliance programme • Developed a Data Ethics policy, outlining how NORDEN handles data and our commitment to protecting data related to employees, customers, business partners and other stakeholders. • Tax policy updated • TRACE certification renewed (TRACE is an anti-bribery standard setting organization. Certification by TRACE signifies that an entity has completed internationally accepted due diligence procedures and complied with review process)
Looking ahead	<ul style="list-style-type: none"> • Continued work with the Maritime Anti-Corruption Network • Continued integration of anti-corruption compliance into operations, decision-making and business relationships • Continue to embed supplier risk assessment and management into our sourcing activities
Relevant policies	<ul style="list-style-type: none"> • Anti-corruption policy: The policy aims to ensure compliance with key anti-corruption legislation, protect NORDEN's reputation and guide employees in what is expected when working for NORDEN. The programme applies to all employees, Management and the Board of Directors • Data Ethics policy: The policy states our data ethics principles, describing how we collect, store, process and protect data for the benefit of our employees, customers, business partners and other stakeholders • Employee code of conduct: The code describes the ethical, social and environmental behaviour, which every employee, regardless of position, should adhere to when working at NORDEN • Supplier code of conduct: Building a sustainable practice by establishing systems and processes to manage our adverse impacts on human and labour rights, environment and anti-corruption through our purchasing practices • Sanctions policy: The policy aims to ensure that NORDEN, our affiliated companies and employees do not engage in any transactions in breach with the Sanctions policy



ESG PERFORMANCE

	2021	2020	2019
ENVIRONMENTAL PERFORMANCE			
Energy efficiency			
EEOI (gCO ₂ /tonnes-mile)	8.6*	8.8	8.7
Energy consumption			
Heavy fuel oils (1,000 tonnes)	89	106	1,134
Distillate fuel oils (1,000 tonnes)	158	157	156
Very low sulphur residuals (1,000 tonnes)	1,231	1,098	17
Electricity (MWh)	1,510	1,230	1,233
Total energy consumption (TJ)	61,681	56,765	52,988
Transport work (million tonnes cargo x mile)			
Transport work	492,458	487,887	469,897
CO₂ emissions (1,000 tonnes)			
Direct CO ₂ emissions (Scope 1 GHG protocol)	4,663	4,294	4,088
Indirect CO ₂ emissions (Scope 2 GHG protocol)	0.3	0.2	0.2
Other indirect CO ₂ emissions (Scope 3 GHG protocol)	0.3	1.4	3.6
Total CO ₂ emissions	4,664	4,296	4,092
Other emissions (1,000 tonnes)			
SOx emissions	15	15	54
NOx emissions	130	134	129
Oil spills (> 1 barrel)			
Oil spills	0	0	0

*) EEOI methodology was updated in 2021 to include additional emissions on NORDEN's time-charter out vessels. Consequently, reported EEOI figures in prior years are not directly comparable to 2021. When measuring EEOI for 2021 through the previously applied methodology, the figure would equal 9.5.

	2021	2020	2019
SOCIAL PERFORMANCE			
Employees (on shore)			
Employees (average FTE)	376	391	395
Nationalities represented (of total workforce)	40	35	32
Women in managerial positions (%)	36	31	26
Gender with the lowest representation ♀ (%)	39	36	35
Safety (at sea)			
Fatalities related to work safety	0	0	0
Lost time injury frequency (million working hours)	0.8	0.6	1.5
GOVERNANCE PERFORMANCE			
Shareholder-elected board members			
Gender with the lowest representation ♀ (%)	33	33	33
Attendance (%)	100	99	97

ESG ACCOUNTING POLICIES

Boundary setting

The sustainability report boundary includes assets and employees in the parent company and in subsidiaries.

The reporting boundary

ESG metrics follow below boundaries unless otherwise specified:

- Owned, leased and chartered-in vessels (excl. chartered-out and third-party pool-managed vessels)
- Employees on shore
- Crew on board vessels (in regard to health and safety at sea)
- All NORDEN offices across the world

Changes to accounting policy

The scope of the Energy Efficiency Operational Indicator metric has been extended from 2021 onwards to reflect that a considerable number of NORDEN operated vessels are time-chartered out to third-parties. Furthermore, by extending the scope, this minimises the risk of selection bias in terms of which vessels NORDEN chooses to operate within its own business units, and which vessels are chartered out to third parties.

Data quality and data collection

The reporting principles of balance, clarity, accuracy, reliability, timeliness and comparability are applied when collecting information and data on NORDEN's sustainability and ESG performance. Data

include comparable data from the past three years; five years if part of key figures. Significant variations in data are explained in the relevant section of the sustainability report.

The ESG performance table overview on the previous page includes performance data from the sustainability report supplemented by additional indicators and accounting policies.

Environmental performance

NORDEN is liable for consumption, emissions and other environmental elements. For owned assets which are leased out to external parties on time charter, NORDEN is not liable for consumption, emissions and other environmental elements – the lessee is.

Energy consumption

Transport work (1,000,000 tonnes cargo x mile): Transport work expresses the mass of cargo transported over distance, as registered in the Integrated Maritime Operations System (IMOS). Cargo transported over distance, compared with the amount of CO₂ emitted, provides an estimate of fleet efficiency – see also Energy Efficiency Operational Indicator.

Heavy fuel oil and distillate fuel oil and very low sulphur residuals (1,000 tonnes): Bunker fuel consumed directly by owned

and operated vessels, including all fuels, gas oils and residuals used on board for activities such as steam, generating electricity, marine boilers, heating, main and auxiliary engines. In NORDEN third-party commercial pool management activities, the consumed fuel accounted for includes the vessels controlled by NORDEN. Total daily consumption reported by vessels into IMOS validated with bunker acquisitions and deviations is regularly controlled.

Electricity (MWh): Electricity and heat consumed indirectly in operational activities for onshore offices. Based on annual consumption in Brazil, China, Denmark, Dubai, Ivory Coast and Singapore offices and estimated consumption in Australia, Canada and Cyprus offices. Excludes Chile and USA offices as utilities are included in the rent.

Total energy consumption (TJ): Calculated by adding up tonnes of fuel and electricity usage, applying heating conversion factor 40.2MJ/kg for heavy fuel oil, 42.7MJ/kg for distillate fuel oil, 41.7MJ/kg for very low sulphur residuals and 0.0036 MWh/TJ for electricity.

Energy Efficiency Operational Indicator (gCO₂ /cargo-mile): The Energy Efficiency Operational Indicator (EEOI) is a measurement of energy efficiency and is defined as the amount of CO₂ emitted per tonne

of cargo transported 1 mile based on fuel consumption and transport work.

From 2021 onwards the scope of EEOI was extended to include NORDEN's time chartered-out vessels.

CO₂ emissions (1,000 tonnes): Compatible with the Greenhouse Gas (GHG) Protocol

- **Scope 1:** Direct emissions from NORDEN's own consumption of fuel from owned company cars and from owned and chartered vessels
 - Owned and chartered vessels: Based on fuel consumption for the year
 - Owned company cars: Per 31 December 2020 based on conversion Key2Green conversion factor 2.65 kg CO₂/L. As of 2021, NORDEN no longer owns any company cars
- **Scope 2:** Indirect emissions from purchased electricity and district heating
- **Scope 3:** Indirect emissions from third party activities. Measures CO₂ emissions from air travel and leased company cars
 - Air travel: Air travel emissions are calculated using activity data provided by travel agents and validated against spend data. Distances are converted to CO₂e by applying DEFRA emission factors also accounting for the class of tickets. Emission factors used are

inclusive of Radiative forcing (RF), measuring the additional environmental impact of aviation

- Leased cars: Per 31 December 2021 based on EcoScore, Diesel: 132 g CO₂/km, Petrol: 120 g CO₂/km

NOx and SOx emissions (1,000 tonnes)

- **NOx:** Nitrogen oxide emissions from combustion of fuels from operated vessels. NO₂ emissions from the energy produced by main engine multiplied by Tier 1 NOx limit (17 g/kWh) or Tier 2 NOx limit (14.4 g/kWh)
- **SOx:** Sulphur oxide emissions mainly stem from the burning of the sulphur compound in the fuel from owned and operated vessels. SO₂ emissions are calculated from the fuel quantity consumed during the year multiplied by the average sulphur content in the bunker fuel purchased by NORDEN's Bunker Department

Oil spills (> 1 barrel): Includes incidents of oil spills larger than 1 barrel (159 litres) into the sea from owned and/or operated vessels as reported by the technical managers.

Social performance

Employees

Scope and boundaries: Scope for full-time workforce, accounted for as full-time employees (FTE) on shore, includes permanent and time-limited employees (fixed-term, student job and temporary hires) in NORDEN's offices, except for the indicators 'Retention' and 'Turnover', in which the scope includes average FTE amount on shore relating to permanent employees, excluding fixed-term, student roles and temporary hires.

Employees (FTE): Average full-time equivalent number of employees on shore as defined in NORDEN's HR system (Fairsail).

Scope for employees, women in managerial positions, gender split: Average FTE calculation includes permanent and time-limited employees (fixed-term, student roles and temporary hires).

Nationalities represented (of total workforce): Number of nationalities in total workforce based on Fairsail.

Women in managerial positions (%): Average FTE number of women in managerial positions on shore out of the total pool of average FTE managers on shore. Managers are defined as a person with responsibility

for a team of at least one other employee as defined in Fairsail.

Gender split on shore: Gender with the lowest representation (%): The percentage of the average number of women FTE out of a total average number of FTEs during the year based on Fairsail.

Health and safety at sea

Lost Time Injury Frequency at sea (injuries per million working hours): Calculated based on the number of work-related accidents which causes a seafarer to be unable to work for more than 24 hours as reported by the technical managers.

Fatalities: Work safety related fatalities among crew members on board NORDEN owned vessels.

Governance performance

Shareholder-elected board members:

Gender with the lowest representation (%): Percentage of shareholder-elected women in the Board of Directors out of the total number of shareholder-elected board members at year-end.

Attendance (%): Attendance rate at board meetings attended by shareholder-elected and employee-elected board members throughout the year.

Female share of total workforce (%):

Gender with the lowest representation (%): The percentage of the average number of women FTE out of the total average number of FTEs during the year based on Fairsail.

Female share of Board of Directors (%):

Gender with the lowest representation (%): Percentage of shareholder-elected women in the Board of Directors out of the total number of shareholder-elected board members at year-end.

Female share of Senior Management (%):

Gender with the lowest representation (%): Percentage of women FTE in the Senior Management out of the total number of FTEs at year-end.

Female share of Managers of Managers

(%): Gender with the lowest representation (%): Percentage of women FTE in Managers of Managers out of the total number of FTEs at year-end.

Female share of Managers (%): Average number of women FTE in a manager positions out of a total average FTEs. A manager position is defined as a person with responsibility for a team of at least one other FTE as defined in Fairsail.