



OUR RESPONSIBILITY 2021





CORPORATE SOCIAL RESPONSIBILITY HIGHLIGHTS

TORM continues to play an active role in fostering and caring for the needs of society, the environment, and communities at large. TORM believes that doing business sustainably while contributing to society is not only about sharing obligations, but also about sharing social responsibilities. Therefore, TORM on the one hand continues to strive hard to combat carbon, sulfur, and other emissions and on the other hand, stands committed to providing quality education, as it is a matter of concern for TORM and its employees. TORM is confident that with all brilliant minds, great hearts and dedicated stakeholders, this milestone will definitely be achieved.



SUSTAINABLE DEVELOPMENT GOALS

DIVERSITY

37%

WOMEN
IN THE SHORE-BASED
WORKFORCE

22%

WOMEN
IN LEADERSHIP
POSITIONS



74 SCHOLARS
SUPPORTED

BY TORM AND OUR EDUCATION
FOUNDATION

0.37

LOST TIME
ACCIDENT
FREQUENCY IN
2021

STATEMENT BY THE EXECUTIVE DIRECTOR



Responsible behavior is embedded in the way TORM conducts its business and in the mindset of our employees. TORM remains committed to protecting our employees, environment, reputation and assets by maintaining the highest possible standards.

Mr. Jacob Meldgaard, Executive Director

ONE TORM SAFETY CULTURE

In line with TORM's strategic focus on safety performance, TORM continued to promote the safety culture program One TORM Safety Culture – driving resilience in 2021. The purpose of the program is to continuously strengthen TORM's safety culture beyond mere compliance.

CLIMATE AND ENVIRONMENTAL EFFORTS

In 2009, TORM signed the UN Global Compact as the first shipping company in Denmark to commit to the internationally recognized set of principles regarding health, safety, labor rights, environmental protection and anti-corruption. In 2021, TORM continued to extend its support to the UN Sustainable Development Goal (SDG) no. 4 Quality Education and on SDG no. 13 Climate Action, as these directly link to TORM's current corporate activities. These two areas are not only material to TORM and its stakeholders, the efforts and initiatives also make good business sense to TORM. As such, TORM sees its commitment to contributing to and reporting on the SDGs as a natural progression of its commitment to the UN Global Compact.

In January 2022, TORM became a Missions Ambassador of the Maersk McKinney Møller Center for Zero Carbon Shipping and continues to be an active member of Danish Shipping, with the aim to impact the decision making in IMO on the ongoing discussions on the implementation of CO₂ related regulations.

Following a thorough review, TORM has set a target to reduce its relative CO₂ emissions by 45% by 2030 compared to IMO's 2008 baseline and be climate neutral from operating our fleet by 2050. To support this ambitious target, TORM's management will be measured on achieving it.

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



Jacob Meldgaard,
Executive Director

RESPONSIBILITY REPORT

Responsible behavior and sustainability are embedded in the way we conduct business in TORM. We are committed to protect and take care of our employees, our assets, our environment, and our society. This is done by living up to the highest possible standards. We support the UN Global Compact, the Sustainable Development Goals and are increasingly reporting on Environmental, Social and Governance data.

In 2009, TORM signed the UN Global Compact as the first shipping company in Denmark. In this way, we commit to an internationally recognized set of principles regarding health, safety, labor rights, environmental protection, and anti-corruption. As part of this commitment, we submit our communication on progress every year.

PRINCIPLES

Transparency and accountability are key to TORM's way of doing business, and these values play a central role in our corporate social responsibility (CSR) approach. Our approach to responsible behavior is rooted in our Business Principles which have the following five objectives:

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

COLLABORATION AND PARTNERSHIPS

TORM's commitment to CSR is not limited to our own business practices, as we believe real impact requires industry collaboration. We cooperate with peers and stakeholders to increase responsibility in the shipping industry and the supply chain. Also, this is done to mitigate protectionism and support progressive trade agreements.

TORM strives to increase transparency and accountability and to minimize corruption. We do this as an active member of Danish Shipping and a number of committees within that organization. This is also the focus in the Maritime Anti-Corruption Network in which TORM is a co-founder and member.



SUSTAINABLE DEVELOPMENT GOALS AND TRANSPARENT ESG REPORTING

In 2021, we continued our support to the UN Sustainable Development Goals (SDGs) and its targets for 2030. To ensure ample contribution, we focus on specifically SDG #4 Quality Education and SDG #13 Climate Action. These goals are closely linked to our value chain, business practices, and company values. Our support of the SDGs is seen as a natural progression of our commitment to the UN Global Compact.

This responsibility report documents the results of our efforts within corporate social responsibility, as well as environmental, social and governance aspects (ESG). As part of our commitment to the UN Global Compact, TORM submits its communication on progress (COP) every year.

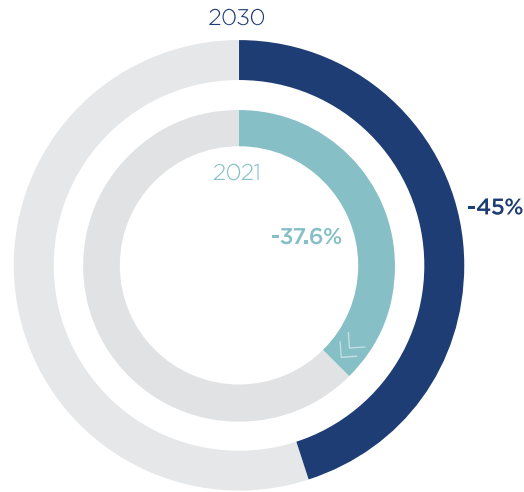
This year, TORM will use the Sustainability Accounting Standards Board (SASB) reporting framework to further increase our ESG reporting transparency. The SASB framework is an ESG guidance framework which sets standards for the disclosure of financially material sustainability information.

 Find our SASB Index and Responsibility data on pages 19-23

TORM'S ESG TARGETS

2030 CLIMATE TARGET

TORM continues to work to reduce our CO₂ emissions from -37.6% in 2021 to -45% by 2030 compared to 2008.*



* % reduction compared to IMO's 2008 base year using the CII reference line using CO₂ g/dwt x nm.

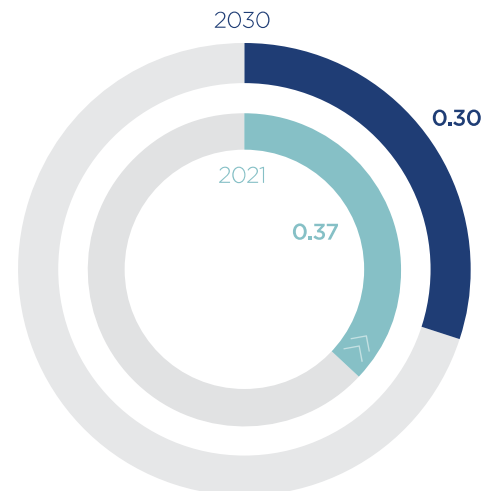
2050 CLIMATE AMBITION

TORM is pursuing an ambitious climate agenda, whereby we will have zero CO₂ emissions from operating our fleet by 2050.



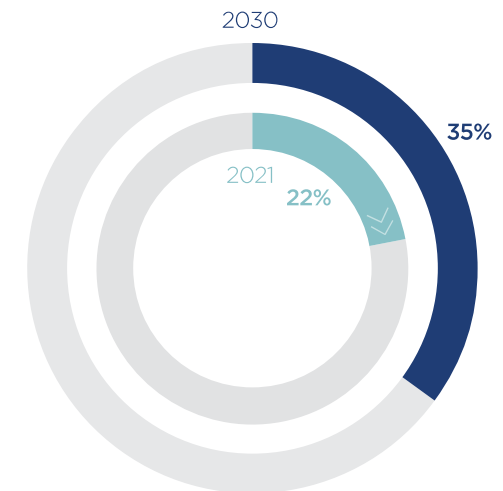
2030 SAFETY TARGET

Safety is measured as lost-time accident frequency per million exposure hours. In 2021, TORM's safety performance was 0.37, and our target for 2030 is 0.30.



2030 LEADERSHIP DIVERSITY TARGET

We believe that diverse teams led by diverse leaders deliver better business performance, and by 2030 at least 35% of our leaders will be female.



STAKEHOLDER ENGAGEMENT AND MATERIALITY

STAKEHOLDER ENGAGEMENT

Working in close collaboration with our customers and stakeholders has an immense focus for TORM and is key to deliver on our ambitious climate targets. Among others the stakeholder groups include employees, community, suppliers, customers, investors, and authorities.

Throughout the year, specialists across TORM interact with these stakeholders to ensure an open dialogue. This includes our ongoing dialogue with financial institutions to ensure a high level of transparency in our climate efforts – both ashore and at sea.

As a company, we work with a selection of partnerships sharing the same values and goals as TORM, e.g., we have joined the Mærsk Mckinney Møller

Center for Zero Carbon Shipping, where we will work with industry partners and knowledge specialists to achieve zero carbon shipping by 2050. In addition, TORM is an active member of industry organizations such as Danish Shipping.

 [Learn more about how we engage with stakeholder and decision-making in our Annual Report 2021](#)

 [Learn more about the value chain in oil transportation in our Annual Report 2021](#)

MATERIALITY

As part of our continued efforts to increase transparency in our reporting, this year we will include a materiality assessment in our responsibility reporting.

In TORM, we have defined materiality as “social and environmental topics with the largest impact throughout our value chain”.

Materiality Assessment

TORM’s ESG materiality assessment is made to identify and prioritize the ESG issues which are most important to and have most impact on TORM and our key stakeholders. We have defined our key stakeholders as customers, lenders, investors, regulators, employees, suppliers, and community & environment.

The impact which the various topics have on TORM varies depending on the topic. As examples, legal compliance can be the risk of breaching sanctions which can impact TORM’s access to critical markets if not complied with, whereas TORM’s ability to employ diversified personnel will impact our decision-making capabilities and potential for strong commercial performance in the future. Another example is securing quality education which impacts our ability to source skilled crew for our vessels. Each score is evaluated relative to each other as all the material topics are important to TORM and our key stakeholders. The material topics and the materiality matrix were approved by the Board of Directors.



Mærsk Mc-Kinney Møller Center
for Zero Carbon Shipping



GLOBAL MARITIME FORUM








GETTING TO ZERO COALITION



MACN

STAKEHOLDER ENGAGEMENT AND MATERIALITY

-  Health and safety on pages 8-10
-  Human rights and business ethics on page 15
-  Security on page 10
-  Community engagement on pages 16-17
-  TORM's environmental efforts on page 11
-  Responsible procurement in TORM on page 18
-  People at sea and ashore on pages 12-14

LEGAL COMPLIANCE

Legal compliance is essential to TORM and to our stakeholders. International transport of refined oil products is a highly regulated area, and full compliance with all applicable rules and regulations at all times is a necessity for operating successfully in this line of business.

TORM's compliance with all applicable sanctions requires constant focus, as any violation may have a significant business impact. The same applies to compliance with applicable rules and regulations in relation to (without limitation) health, safety and environment, anti-bribery and corruption, competition/anti-trust, as well as employment and labor. Legal compliance is often closely linked to other areas included in the materiality matrix and is also separately included. The Governance section of the Annual Report on pages 71-111 describes TORM's framework and governance model, designed to ensure TORM's continued ability to operate successfully.

MATERIALITY MATRIX

Most important ESG related topics for TORM (scoring of topics is relative to each other)



HEALTH, SAFETY, AND SECURITY

Around 90% of TORM's workforce is employed at sea, and therefore ensuring healthy, safe, and secure working conditions for them is of crucial importance to TORM's business. Backing those efforts, TORM believes that a healthy and supportive work environment adds a lot to the employees' wellbeing, productivity, and performance level at work and also enhances the company's retention rate.

Respecting employees' human rights is pivotal to TORM, and all the policies supporting this are outlined in TORM's Business Principles. Similarly, our safety policy is rooted in the rules and regulations issued by the Danish Maritime Occupational Health Service.

INSPECTIONS AND AUDITS

In order to maintain our standards and exceed the targets set by our customers despite the COVID-19 pandemic, TORM developed a robust remote audit scheme at the beginning of 2020. With travel restrictions significantly reducing the possibilities of visiting vessels, the first-rate tools and data collection processes at TORM made it possible to create a robust remote audit system.

The challenges continued during 2021 and the One TORM platform has been able to successfully deliver on all counts, including new takeovers and new deliveries. Despite the ongoing pandemic, a few employees have successfully managed to visit a number of TORM vessels for audits, inspections and on-board training. In

addition, we have been able to attend our new vessels for timely takeover.

Overall, owing to the effectiveness of the One TORM platform, the interaction with all stakeholders, internal as well as external, has shown that audits, inspections, change of flag etc. are achievable and successful despite the pandemic.

SIRE INSPECTIONS

The main body responsible for managing the overarching processes and requirements of the vessel inspections is OCIMF (Oil Companies International Marine Forum). In 2020, due to the travel restrictions caused by the COVID-19 pandemic, new avenues like remote documentation review and inspection were introduced by OCMIF. The challenges experienced in connection with physical SIRE (Ship Inspection Report Program) arrangements were mitigated by close cooperation among internal stakeholders as well as among oil majors. In spite of the challenges, TORM vessels were able to achieve a significant number of physical SIRE inspections enabling business continuities and the flexibility to trade. The process around taking delivery of newbuildings as well as second-hand vessels was well executed ensuring successful trading.

During 2022, OCIMF is expected to roll out the completely revamped SIRE 2.0 inspection and assessment regime for the product tanker industry.



HEALTH, SAFETY, AND SECURITY

ONE TORM SAFETY CULTURE

In 2021, TORM continued the safety culture program One TORM Safety Culture – driving resilience. The purpose of the program is to continuously strengthen TORM’s safety culture beyond compliance.

TORM continued to conduct Safety Leadership courses for Senior Officers on board. During 2021, TORM welcomed a number of new senior officers to the company, and still maintained a high completion rate of more than 80% for the safety leadership course. The course includes workshops for all Senior Officers and key marine shore staff and focuses on how to be a good leader when it comes to safety.

In 2021, TORM introduced a new tailor-made Safety Leadership program for Junior Officers, which cover the mindsets, competencies, and behaviors suited for the role. It utilizes a three-phase learning process which provides the participants with a better learning experience and ensures a faster application of learnings in their day-to-day work practices. This course also serves as a supplement to the Safety Leadership Course for Senior Officers.

SAFETY DELTA

TORM also continued with the Safety Delta tool, which was launched in 2018 and used across the fleet to track and monitor the safety culture on board the individual vessels. The safety delta concept supports processes and activities and helps to build and maintain a proactive safety culture based on continuous crew evaluation, dialogue, reflection, and development. All vessels have been scheduled to complete three Safety Delta cycles in 2021.

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

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

In 2021, TORM introduced a new induction framework for its Senior Officers. The induction program focuses on providing the Senior Officers with insights into fundamental company culture, behaviour, safety leadership and stakeholder management to ensure excellent performance for newly hired Senior Officers. A revised induction framework for Junior Officers was introduced in 2020.

In 2021, TORM continued to promote the One TORM Safety Culture – driving resilience program. In Q4 2021, we launched our new Virtual Senior Officers Conference program. The content of the Virtual Senior Officers concept is focused on safety culture, mental health, work culture, and social culture to support and ensure that TORM’s safety culture is anchored across the organization, ashore as well as on board the vessels. These Virtual Senior Officers Conferences have been continued in 2021 and a total of 171 Senior Officers have attended the conference.

HEALTH, SAFETY, AND SECURITY

LOST TIME ACCIDENT FREQUENCY AND NEAR-MISS INCIDENTS

Lost Time Accident Frequency (LTAF) is a measure of serious work-related personal injuries which result in more than one day off work per million hours of work. The definition of LTAF follows the standard practice among shipping companies. During 2021, TORM's LTAF measure considerably decreased to 0.37 (2020: 0.65).

Each injury has been investigated and corrective measures have been taken as required. TORM's seafarers have done a commendable job by raising the safety culture and substantially reduced injuries in 2021, especially during the pandemic. Virtual town halls and other online interactions introduced at the beginning of the pandemic for TORM's seafarers have been used to a greater extent in 2021. During this time, whenever possible, opportunities were taken to physically attend

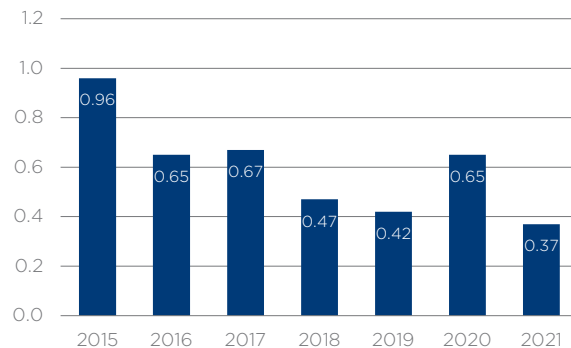
vessels and interact with seafarers, including conducting training.

Near-miss reports provide TORM with an opportunity to analyse conditions which might lead to accidents and ultimately prevent potential future accidents. A high number of near-miss reports indicate that the organization proactively monitors and responds to risks.

In 2021, TORM's focus on near-miss incidents and the quest for continuous improvements resulted in the introduction of a new category of events called 'Unsafe act & unsafe condition' to help identify near miss events for the safety of our crews. The total near miss reported for 2021 was 4,203 (2020: 5,991, 2019: 6,099) and 'Unsafe act & unsafe condition' was 1,954.

LOST TIME ACCIDENT FREQUENCY (LTAF)

Source: TORM



SECURITY

TORM's response to piracy is founded on the Best Management Practice, which is the industry guideline for companies and vessels sailing in areas with increased risk. In 2021, TORM experienced six incidents when thieves or robbers came on board and four incidents of stowaways found on board TORM's vessels. No persons were harmed during these incidents.

Throughout the year, the security situation and developments in the various risk areas have been monitored closely, and actions have been taken to safeguard TORM's seafarers and vessels. The security situation in some regions remain fragile due to the COVID-19 pandemic. TORM has adapted its procedures to the changing threat levels across the areas called at by TORM vessels.

TORM will continue to monitor the risk situation and pre-empt hijacking and robbery attempts by following security procedures and industry guidelines.

ENVIRONMENTAL EFFORTS




TORM supports SDG 13 Climate Action as marine pollution constitutes the largest environmental risk in the shipping industry.

Therefore, it is important for TORM to minimize the sea and atmospheric pollution.


FUEL CONSUMPTION AND ENERGY EFFICIENCY

TORM has relentlessly worked on the ambitious environmental goal of reducing carbon footprints by deploying effective strategies and efficient technologies across our value chain. To responsibly add value to the industry emissions reduction plans, TORM contributed through its involvement in industry collaborations in innovation partnership, ShippingLab (a non-profit platform for maritime research), development, and innovation with 30 partners from across the maritime industry to push the efforts further at driving smart shipping for the future, such as:

Signing up for the Call to Action for Shipping Decarbonization, which calls on the governments to take decisive actions to achieve decarbonization of international shipping by 2050.

 [Learn more about Board Activities 2021 and our strategically important long-term collaborations in our Annual Report 2021.](#)

Joining the Mærsk McKinney Møller Institute for Zero Carbon Shipping as a Mission Ambassador to research ways to grow in a more operationally, commercially, and sustainably viable way.

 [Learn more about our strategy and Greener Future – Long-term Industry collaboration on page 22 of the Annual Report](#)

Investing in Flettner Rotors for the newest of our LR2 vessels, aimed at saving fuel consumption.

 [Learn more about Flettner Rotors on page 25 of the Annual Report 2021.](#)

Despite the challenges of managing the fuels and evaluating the propulsion performance, the One TORM platform continues to have a solid and dedicated focus on reducing fuel consumption.

FAST FORWARDING OUR ENVIRONMENTAL EFFORT

Over the years, TORM has geared up its environmental efforts only to outperform its set targets. Further, we all have an obligation to do our utmost to reduce CO₂ emissions. Therefore, TORM is pushing fast forward in our environmental efforts and will deliver a 40% CO₂ reduction by 2025 – instead of by 2030.

The baseline for the target is in line with the definition set forth by the International Maritime Organization, IMO, which defined how this should be measured and calculated. The accelerated target is possible thanks to the power of the integrated One TORM platform, where we control the whole value chain of our business and operations.

To continue reducing our emissions towards 2025 and onwards, we will focus on e.g., hull painting, maintenance, connected machinery and connected vessels, and continue the optimization journey of onboard operations. As our long-term goal, we will be working on subjects encompassing future fuels and next-generation vessels.

TORM continuously focuses on energy efficiency across the fleet. This serves the dual purpose of minimizing the environmental impact and helps us deliver market leading performance. By maintaining a strong focus on energy efficiency in 2021, TORM has achieved a 37.6% reduction in Annual Efficiency Ratio (AER) compared to the IMO baseline (2008). Daily engagement with the vessels continues to create significant value to encourage and support best practice behavior with regard to energy consumption. In addition, the efforts ensure that corrective actions can be taken swiftly, as needed.

In our continued endeavors to operate in an environmentally friendly way, we strive to push our horizons and believe that our actions will do the work.

PEOPLE

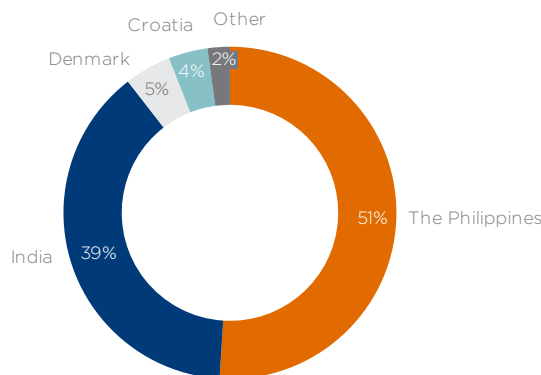
People and culture play an essential part at TORM. It defines our core and helps us grow and thrive, at sea and ashore. The pandemic has challenged the way we work and cooperate. But we have initiated strategic and operational initiatives to drive high employee engagement and improve the sense of belonging.

AT SEA

In 2021, TORM continued its strategy to employ seafarers with different nationalities as we believe that diversity on board is an important foundation for cooperation, high performance, and a safe working environment.

GEOGRAPHICAL DISTRIBUTION OF SEAFARERS IN %

Total number of seafarers at the end of 2021: 3,420



Throughout the year, TORM's main priority was to relieve seafarers on time despite the heavy constraints caused by the COVID-19 pandemic.

Further, the focus was to get all seafarers both at sea and ashore vaccinated against COVID-19. TORM was one of the first companies to use the US vaccination program for vessels calling US ports and we followed up in all countries who offered this service. In 2021, the team managed to vaccinate more than 1,000 seafarers on board and set up help to get vaccines for all nationalities. Today, no seafarer joins a TORM vessel without being vaccinated. In 2022, TORM will continue the drive towards full vaccination, including booster vaccination.

During these times, focus was on supporting both staff on board as well as our seafarers at home and their relatives, with all aspects of such unprecedented times. This included both financial support, and most importantly to ensure healthy wellbeing. Despite the COVID-19 limitations, TORM continued its efforts to strengthen the relationship between seafarers and the shore-based organization. In 2021, this involved a transition from physical meetings and gatherings to a more virtual form which included seminars, trainings, and general gatherings.

TORM maintains an ongoing focus on seafarer commitment and engagement. In 2021, the retention rate for Senior Officers remained above 90%, and TORM demonstrated 100% compliance with customer

requirements when it comes to ensuring the right level of experience among Senior Officers per vessel across the fleet (the so-called officer matrix compliance). The Well at TORM program aimed at focusing on the wellbeing of our seafarers by increasing engagement, mental resilience, physical health and embracing socialization among crew members, is successfully running at par with our intent with more than half of the total seafarers actively participating in it.

94%

Retention rate for senior officers

At the end of 2021, TORM employed a total of 3,420 seafarers of whom 92 were permanently employed, with the remaining seafarers being on time-bound contracts.

ASHORE

High Engagement

In 2021, we continued our bi-annual real time data engagement survey which we introduced in 2019. More than 90% of all shore-based employees responded to the survey.

PEOPLE

The outcome of the December 2021 survey was a score of 8.4 out of ten showing a continuous high engagement and satisfaction among our employees. And this is the case across categories ranging from engagement, freedom of opinion, management support, work environment and safety.

The high scores were evenly spread across divisions and locations which is a testament to the strength of the unified One TORM approach. The overall positive outcome of the survey was maintained from previous years, and it positions TORM in the top quartile of companies across all industries using the same platform.

Our ambition of this engagement survey combined with a high response rate is to help us improve, nurture the culture needed to fulfil our ambitious strategy and develop initiatives which matter to our employees.

Again in 2021, we included questions to understand how our shore-based employees cope with the pandemic and the precautionary measures we have introduced to safeguard and support our employees. The survey showed that the COVID-19 related measures introduced were highly appreciated by our employees.

Employee health and wellbeing

During 2021, we introduced an updated remote work approach due to the experiences stemming from the requirements to work remotely during the pandemic. This allowed for more flexibility for the global team. By the end of 2021, the retention rate for all shore-based employees was 88%. That is an expected change compared to previous years due to the effects of employees worldwide rethinking what work mean to them following the COVID-19 pandemic.

To strengthen and develop TORM's position in this area, continuous development of our organization, culture and leadership is a key criterion for success. On this background, we decided to implement leadership training in our organization. One of the main purposes was to enhance the feedback culture in TORM.

We are consistently focusing on employee health and wellbeing. The term wellbeing embraces not only physical, but also mental aspects of wellbeing. Therefore, specific training in stress awareness was initiated during the year. Through in-depth knowledge, a common language and targeted tools, all employees will be equipped with the necessary tools required to spot and mitigate stress. We will continue introducing this across offices in 2022.

Onboarding a new career

Our ability to recruit and retain highly qualified employees for positions ashore and at sea is essential to our business. That is why we have a strong focus on the way we communicate with potential candidates, how we recruit, and how we onboard our new employees. We want to enhance the understanding of TORM and the One TORM culture.

At sea and ashore, thousands of colleagues worldwide keep the TORM fleet moving. While we all share the same goals and culture, everyone's story is different. TORM has developed a career site at torm.com which portrays employees with different stories. And the site describes our different career programs ashore and at sea.

Overall, we aim to attract and retain the best qualified employees by living the four values of the TORM Leadership Philosophy and by ensuring that TORM's leaders motivate their employees.

At the end of 2021, the shore-based organization had 348 employees: 140 in Hellerup, 136 in Mumbai, two in New Delhi, 39 in Manila, three in Cebu, 16 in Singapore, 11 in Houston, and one in London.

PEOPLE

DIVERSITY

At TORM, we have an obligation to develop a strong and diverse talent pool irrespective of gender, religion, sexuality, nationality, ethnicity, or disabilities etc.

As stated in TORM’s Business Principles, we work toward a diverse workforce in every aspect. We want to have an inclusive environment which respects and supports all our people and helps improve business performance.

In our continued efforts to maintain a positive and respectful work environment, we have completed interactive sessions which have provided insights into how we ensure to be aware and respectful in our daily work. Also annually, we will follow up on these initiatives and evaluate the results.

We believe that diverse teams led by diverse leaders deliver better business performance, and offer equal opportunities in recruitment, career development, promotion, training and rewards for all employees.

In 2021, we continued to participate and drive the aim of Danish Shipping’s taskforce for more women at Sea. In this work group, we have incorporated 10 recommendations into processes and procedures as best practice. The recommendations include setting gender diversity targets, supporting women through family friendly policies and rethinking the recruitment process.

Gender distribution

We actively monitor the representation of females in the workforce and in leadership positions. At the end of 2021, the proportion of female full-time employees in the shore-based workforce was 37%, while women in leadership positions, defined as having one or more direct reports, constituted 22%. TORM has a target for 2030 of 35% women in leadership positions.

At the end of 2021, the Board of Directors consisted of four male members and one female member elected at the Annual General Meeting. In 2020, the Board of Directors fulfilled its target of 20% female Board members (1 out of 5).

DATA ETHICS

TORM’s business model, The ONE TORM platform, uses advanced analytics and digital solutions in which large amounts of data are processed. TORM’s Data Ethics Policy confirms TORM’s commitment to our defined data ethic’s principles and it defines how we collect, store and process data.

TORM wants to maintain high ethical standards for the protection of our data, and we want our handling of all data to be beneficial and value-adding to our customers, employees, business partners, authorities, and other stakeholders.

Our treatment of data must be robust to prevent against any unintended disclosure. TORM’s data security measures include a variety of guidelines and defined processes, as well as technical and human controls.

TORM generally does not collect, store, or handle data in relation to private customers or consumers. The data which TORM collects, and stores is mainly commercial data, relevant to the operation of our owned and chartered vessels. Such commercial data includes without limitation global trade flows, trading patterns, cargo types, weather patterns, port data etc. and may be generated internally or obtained from external sources.

EMPLOYEE DIVERSITY

Permanently employed

	Male	Female
Directors of the Company ¹⁾	4	1
Employees in other senior executive positions	3	-
Total management other than Directors of the Company (Managers with one or more direct reports)	138	19
Other permanent employees of the Group	176	103
Total permanent employees of the Group	317	122

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

HUMAN RIGHTS AND BUSINESS ETHICS

ANTI-CORRUPTION AND ANTI-BRIBERY

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

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

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

TORM has three elements which it leverages to continue a high level of transparency and accountability of its anti-corruption and anti-bribery policy. One being strict employee guidelines and processes to prevent and manage anti-corruption and anti-bribery, the second being specific reporting processes, and the last being compulsory e-learning courses. TORM further complies with SOX regulations

according to which employees must confirm adherence to the policies and guidelines, as well as training completion, ensuring 100% compliance. No further corrective action has been required.

Since 2011 when TORM co-founded the Maritime Anti-Corruption Network (MACN), TORM has been taking a joint stand with the industry against the request for facilitation payments which exists in many parts of the world where TORM conducts business. Best practice is shared between members of the network, and members align their approach to minimizing facilitation payments.

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

In addition to its efforts within MACN, TORM continued to strengthen its companywide anti-corruption policies in 2021 to mitigate the risk of bribery and corruption. TORM has continued its anti-corruption training program, which includes mandatory anti-corruption courses for all shore-based staff and all officers on board TORM’s vessels. The training targets new hires as well as existing employees and must be repeated annually. TORM will continue these efforts in 2022.

Since 2006, TORM’s Board of Directors has provided a whistle-blower facility with an independent lawyer as

part of the internal control system. In 2021, the whistle-blower facility received two notifications, both of which were investigated and closed without any critique or requirements for new measures.

HUMAN RIGHTS

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

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

The most material risk for human rights abuses are related to TORM’s supply chain. TORM complies with the International Labor Organization’s Maritime Labor Convention, an international set of standards on labor conditions at sea, which was ratified by 30 countries in 2012. All vessels under TORM’s technical management are audited and certified as required under the Maritime Labor Convention of 2006. TORM respects employees’ right to associate freely, to join – or not to join – unions and to bargain collectively. TORM offers equal opportunities for its employees as stated in TORM’s Business Principles. No claims or offenses have been reported regarding human rights in 2021.

COMMUNITY SUPPORTING QUALITY EDUCATION



TORM is a long-standing supporter of maritime education in Denmark, India, and the Philippines, and it is therefore natural for TORM to support SDG 4 Quality Education.

This commitment shows TORM’s connection to the surrounding communities and how much of a positive impact it has on the society at large where TORM operates and where many of TORM’s employees come from.

Adding to that, TORM firmly believes that by supporting education in selected areas, we can nurture future competencies and develop a strong pipeline for the industry. TORM’s contribution towards the betterment of society builds a sense of trust and pride in our colleagues which reciprocates in the form of higher retention and positive brand recognition.

TORM is therefore dedicated to supporting SDG 4 Quality Education and cooperates with several educational institutions and universities internationally.

In Denmark and Singapore, the efforts include offering internships and trainee and student assistant positions at TORM’s offices to students from the Copenhagen Business School, the Copenhagen School of Marine Engineering & Technology Management, and the Nanyang Technological University Singapore. The majority of TORM’s seafarers come from Indian or Filipino nationality, and therefore TORM’s activities in

these areas educate the students about the shipping industry. This enhances the potential pool of future TORM employees and strengthens the overall skillset of seafarers coming from these regions.

EDUCATION FOUNDATION IN THE PHILIPPINES

The TORM Philippines Education Foundation (TPEF) is a foundation set up by TORM Philippines in 2007 to support education in the Philippine community.

During the educational year 2021-2022 we supported

- 11 new scholars studying in school
- 41 scholars studying in various colleges and universities
- 22 apprentices (one female and 21 male) with maritime courses
- One scholar graduated in 2021 with a degree in BS Marine Transportation

In lieu of the scholars’ learning program, the TPEF also conducted monthly practical online talk sessions organized to sustain the students’ capabilities, knowledge, and awareness on various issues during the pandemic under the Scholars Development Program (SDP). Sessions were directed at developing positive values and mindsets, self-image, and social and soft skills through SDP. Through webinars under the Social Development Initiative (SDI), the TPEF also worked on more pressing issues such as mental health, wellness, and community wellbeing in general.

The TPEF also provided support for the reconstruction of the interior of a school which had been ravaged by typhoons, and it played a crucial role in making provision for water supply facilities, water dispensers, and making building materials available to an elementary school in the region.

Though faced with many challenges and limited resources, our team made effective use of available materials in a sustainable way. Provisions for solar-based lamps for elementary school kids were made available to ensure that their studies are not affected, along with a one-unit solar panel for the school.

Apart from ensuring proper education facilitation in the Philippines, TORM also formed its ‘Disaster Relief Team’ which is trained and active in case any unexpected events occur. ‘TORM Care’ is a special kit made to accommodate specific needs consisting of safety blankets, grocery packs, drinking water, hygiene packs, and COVID19 kits.



COMMUNITY SUPPORTING QUALITY EDUCATION

EDUCATION FOUNDATION IN INDIA

In India, TORM funded specific projects under selective social causes, and since 2018, TORM India has worked closely with three organizations to achieve the purpose, namely -

- SAMPARC - an organization taking care of the disadvantaged children across India
- BAIF - an organization working towards upgrading and providing rural infrastructure
- Akshayshakti - an organization looking after improving the lives of students, welfare and abandoned children

Previously, TORM supported the construction of the ZP Prathmik School in Zadgevadi in Kurkumbh, near Pune, India. The school was constructed and furnished with facilities with support from TORM.

Through SAMPARC, TORM sponsors 33 students attending the school and assists them with their basic needs, such as school equipment and specified living expenses. The COVID-19 pandemic has restricted movements in India, however, in November 2021, a team from TORM India visited SAMPARC Bhaje to celebrate the Deepawali Festival with the students and distributed presents to all students. TORM also fulfilled its promise of renovating a multipurpose town hall and setting up of a library at Bhaje. Both facilities were opened for use.

TORM firmly believes that enhanced infrastructural support and better extra-curricular activities will help nurture a wholistic upbringing for the students.

Earlier in 2021, TORM India pledged to construct three classrooms at Nalasopara, Mumbai. Although delayed

due to the restrictions caused by COVID-19 pandemic, this project is expected to be completed in early 2022. In our continued endeavour to have a positive impact on society, TORM is evaluating several more projects in and around Mumbai, specifically directed towards girls.



RESPONSIBLE PROCUREMENT

Responsible behavior throughout the organization is central to TORM's business, management practices, and corporate culture.

Our supply chain is important to achieve our goals, and we want to ensure that our quality standards and responsibility efforts are extended and improved throughout the supply chain. We expect our suppliers to comply with recognized international standards and work to improve human rights, labor conditions, impact on the environment, safety, corruption, and quality. As a long-standing member of the UN Global Compact, TORM remains committed to protecting its employees, assets, reputation, and the environment by maintaining the highest possible standards. Transparency and accountability are central parts of TORM's way of doing business.

TORM signed the UN Global Compact in 2009 as the first shipping company in Denmark to commit to the internationally recognized set of principles regarding health, safety, labor rights, environmental protection, and anti-corruption. Being a signatory also means that TORM reports on its social and environmental performance on an annual basis to ensure progress and accountability to stakeholders.

Because of TORM's commitment to integrate responsibility in all business practices, a revised set of Business Principles has been introduced. The Business Principles ensure alignment between our values, as outlined in the TORM Leadership Philosophy, and the

Policies that ensure appropriate behavior, which cannot be deviated from. This relationship applies to Policies within all operations, including those related to CSR. TORM also applies its Business Principles when dealing with subcontractors and suppliers. TORM's Business Principles place a particular emphasis on our commitment to promote responsible business principles in our supply chain. Therefore, TORM is compliant with the UK Modern Slavery Act.

TORM is certified according to ISO 9001 and ISO 14401, and in accordance with the requirements of our certifications, we will start conducting periodic assessments of our suppliers.

The main purpose of the first supplier assessment is to establish a baseline and know the status at our suppliers for us to engage in dialogue about how we together can extend and quality, responsibility, and sustainability efforts. In some situations, we may identify areas where we feel that corrections are required to continue as a supplier to TORM.

Our suppliers are asked to perform a self-assessment questionnaire. It consists of a range of questions related to your business, which you must fill out and return to us to continue as a supplier to TORM.

The questions fall within the following main categories:

- Company information
- Quality management
- Performance
- Training
- Human rights and labor
- Environment, health, and safety
- Business ethics

TORM will, when possible, conduct site visits to audit the subjects stated in the self-assessment questionnaire or as an option conduct a remote audit.

ANTI-CORRUPTION AND ANTI-BRIBERY

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



SASB MARINE TRANSPORTATION INDUSTRY STANDARD

Topic	Accounting Metric	Unit	2021	Code
Greenhouse Gas	Gross global Scope 1 emissions	Metric tons (t) CO2-e	1,353,306	TR-MT-110a.1
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets		See pages 22-27, 34, 40 in AR 2021	TR-MT-110a.2
	(1) Total energy consumed	Gigajoules (GJ)	17,672	TR-MT-110a.3
	(2) percentage heavy fuel oil	Percentage (%)	50	TR-MT-110a.3
	(3) percentage renewable	Percentage (%)	0	TR-MT-110a.3
	Average Energy Efficiency Design Index (EEDI) for new ships	Grams of CO2 per ton-nautical mile	3	TR-MT-110a.4
Air Quality	Air emissions of the following pollutants:			
	(1) Nox (excluding N2O)	Metric tons (t)	n/a ¹⁾	TR-MT-120a.1
	(2) SOX	Metric tons (t)	1,488	TR-MT-120a.1
	(3) particulate matter (PM10)	Metric tons (t)	n/a ¹⁾	TR-MT-120a.1
Ecological Impacts	Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	n/a ¹⁾	TR-MT-160a.1
	Percentage of fleet implementing ballast water: (1) exchange	Percentage (%)	27	TR-MT-160a.2
	Percentage of fleet implementing ballast water: (2) treatment	Percentage (%)	73	TR-MT-160a.2
	Number of spills and releases to the environment ²⁾	Number	0	TR-MT-160a.3
	Aggregate volume of spills and releases to the environment ³⁾	Cubic meters (M3)	0	TR-MT-160a.3

1) Data unavailable. Assessment of feasibility of disclosure is ongoing.

2) Our definition of spills is based on ITOPF.

3) We report total volume of spills, as estimated aggregate volume of all spills as defined above. We do not do netting of the amount of such material that was subsequently recovered, evaporated, or otherwise lost as required by SASB standard TR-MT-160a.3 -2.1.



SASB MARINE TRANSPORTATION INDUSTRY STANDARD

Topic	Accounting Metric	Unit	2021	Code
Employee Health & Safety	Lost time incident rate (LTIR) ¹⁾	Rate	0.37	TR-MT-320a.1
Business Ethics	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	13	TR-MT-510a.1
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	USD	0	TR-MT-510a.2
Accident & Safety Management	Number of marine casualties ²⁾	Number	1	TR-MT-540a.1
	Percentage classified as very serious ²⁾	Percentage (%)	0	TR-MT-540a.1
	Number of Conditions of Class or Recommendations	Number	7	TR-MT-540a.2
	Number of port state control: (1) deficiencies	Ratio ³⁾	0.55	TR-MT-540a.3
	Number of port state control: (2) detentions	Ratio ³⁾	0.00	TR-MT-540a.3
Activity Metrics	Number of shipboard employees	Number	3,420	TR-MT-000.A
	Total distance traveled by vessels	Nautical miles (nm)	4,398,088	TR-MT-000.B
	Operating days	Days	28,717	TR-MT-000.C
	Deadweight tonnage	Thousand deadweight tons	4,746	TR-MT-000.D
	Number of vessels in total shipping fleet	Number	84	TR-MT-000.E
	Number of vessel port calls	Number	2,514	TR-MT-000.F
	Twenty-foot equivalent unit (TEU) capacity	TEU	n/a	TR-MT-000.G

1) Instead of LTIR, we report on LTAF (LTIF) which is an industry norm based on OCIMF guidelines on Injury reporting. The rate per one million man hours is the most common unit in respect of LTAF.

2) Our definition of Marine casualty is based on IMO Casualty Investigation Code Ch 2 -2.9 and very serious marine casualty is based on IMO Casualty Investigation Code Ch 2 -2.22.

3) We report number of port state control deficiencies and detentions as a ratio instead of a number. It is the industry norm to report port state control performance as a ratio as it provides important context to the metrics. The ratio is calculated as the number of deficiencies (or detentions) divided by the total number of PSC inspections.



ENVIRONMENTAL INDICATORS

Indicator	Unit	2021	2020	2019
Greenhouse gas (GHG) emissions				
Direct GHG emissions (scope 1)	Ton CO2	1,353,306	1,335,896	1,302,390
Indirect GHG emissions (scope 2)	Ton CO2	486	434	488
Total GHG emissions	Ton CO2	1,353,792	1,336,330	1,302,878
Energy consumption				
Heavy fuel	Ton	216,610	170,907	349,056
Low-sulfur heavy fuel	Ton	126,371	174,836	12,174
Marine Gas Oil	Ton	88,978	80,865	55,371
Office consumption				
Electricity consumption	kWh	514,461	445,093	702,850
Water consumption	M3	3,875	3,268	-
Greenhouse gas (GHG) emissions - Fleet				
CO₂ emissions, AER - total fleet				
CO ₂ emissions, AER - LR2	g/dwtxnm	5.05	5.34	5.28
CO ₂ emissions, AER - LR1	g/dwtxnm	3.72	4.10	3.77
CO ₂ emissions, AER - LR1	g/dwtxnm	4.33	4.66	4.69
CO ₂ emissions, AER - MR	g/dwtxnm	5.83	6.02	6.14
CO ₂ emissions, AER - Handy	g/dwtxnm	7.23	7.52	7.81
CO₂ emissions, EEOI - total fleet				
CO ₂ emissions, EEOI - LR2	g/cargoxnm	10.64	11.17	11.35
CO ₂ emissions, EEOI - LR2	g/cargoxnm	8.67	8.07	8.58
CO ₂ emissions, EEOI - LR1	g/cargoxnm	8.95	9.43	9.03
CO ₂ emissions, EEOI - MR	g/cargoxnm	11.80	13.06	13.17
CO ₂ emissions, EEOI - Handy	g/cargoxnm	15.24	15.07	15.51

The emission figures in this report represent TORM's findings to the best of our knowledge given today's methodology used by TORM aligned with current IMO methodology. TORM is continuously committed to improving the methodology and advancing transparency in reporting as well as to following industry best practices on emissions reporting.



SOCIAL INDICATORS

Indicator	Unit	2021	2020	2019	Further information
Our employees					
Total number of seafarers	Headcount	3,420	3,023	3,050	
Total number of employees (shore-based)	Headcount	348	345	341	AR21
Diversity – shore-based employees					
Total women in leadership	%	22	21	22	AR21
Gender with lowest representation (women)	%	37	36	35	AR21
Diversity – seafarers					
Total women in leadership	Number	1	1	1	
Gender with lowest representation (women)	Number	1	1	1	
Health & Safety					
Fatalities	Headcount	0	0	0	
Lost-time accident frequency (LTAF)	Per million exposure hours	0.37	0.65	0.42	AR21
Ethics *					
Sexual Harassment and/or Non-discrimination Policy		•	•	•	Business Principles
Equal and fair opportunity employer		•	•	•	Business Principles
Child and/or Forced Labor Policy		•	•	•	Business Principles
Child and/or Forced Labor Policy covers suppliers and vendors		•	•	•	Business Principles
Human Rights Policy		•	•	•	Business Principles
Human Rights Policy covers suppliers and vendors		•	•	•	Business Principles
Modern Slavery Policy		•	•	•	UK Modern Slavery Act
UN Global Compact Signatory		•	•	•	CSR
Recycling and Scrapping Policy		•	•	•	

*Yes • | No •



GOVERNANCE INDICATORS

Indicator	Unit	2021	2020	2019	Further information
Board of Directors					
Members	Number	5	5	5	AR 21
Gender with lowest representation (women)	%	20	20	0	AR 21
Total nationalities	Number	5	5	4	AR 21
Independence	%	80	80	80	AR 21
Senior Management					
Members	Number	4	4	4	AR 21
Gender with lowest representation (women)	%	0	0	0	AR 21
Total nationalities	Number	1	1	1	AR 21
Ethics *					
Anti-corruption Policy		•	•	•	Business Principles
Anti-bribery Policy		•	•	•	Business Principles
Whistleblower Policy		•	•	•	AR 21
Articles of Association		•	•	•	
Data Ethics Policy		•	•	•	AR 21
Code of Conduct Policy (Business Principles)		•	•	•	Business Principles

*

*Yes • | No •

DEFINITIONS

CO₂ emissions (ton)

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

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

Scope 1

CO₂ emissions have been calculated based on the consumption of heavy fuel oil and marine gas oil according to IMO's conversion factor for emission per ton. Emissions are calculated for each single vessel and then consolidated. Numbers under the scope 1 data sheet have been collected on board the vessels or at the offices. The collection is based on actual usage or disposals.

Scope 2

CO₂ emissions generated indirectly from operational activities at the TORM offices are calculated using Danish and World Resources Institute emission factors. Only offices where data is available are included.

AER (g/dwtxnm)

AER is a measure of efficiency using the total fuel consumption, distance travelled and deadweight. The

measure is defined as grams CO₂ emissions per deadweight-ton-nautical mile. AER is affected by vessel size, speed, duration of waiting time and port stays.

EEOI (g/cargoxnm)

EEOI is a measure of efficiency using the total fuel consumption, distance travelled and cargo intake. The measure is defined as grams CO₂ emissions per cargo-ton-nautical mile. EEOI is affected by vessel size, speed, cargo availability, duration of ballast voyages, waiting time and port stays.

SO_x emissions (ton)

SO_x emissions are calculated based on average sulfur content for the different fuel types.

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

Energy consumption (GJ)

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

Office electricity consumption (kWh)

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

Office water consumption (m³)

Water consumed indirectly in operating activities at the TORM offices excluding the London, Houston, Mumbai and New Delhi offices. Data is not available for 2019.

Spills

Definition of spills is based on ITOPF. We report total volume of spills, as estimated aggregate volume of all spills. We do not do netting of the amount of such material that was subsequently recovered, evaporated, or otherwise lost as required by SASB standard TR-MT-160a.3 -2.1.

Deadweight Tonnage (based on SOLAS II-1A-Reg 2-20)

Deadweight tonnage is the difference in tonnes between the displacement of a ship in water of a specific gravity of 1.025 at the draught corresponding to the assigned summer freeboard and the lightweight of the ship.

COC (Based on IACS document Classification societies Section B3 Classification surveys)

The requirements that specific measures, repairs, request for survey, etc. are to be carried out within a specified time period in order to retain class.

DEFINITIONS

LTAF or LTIF (Based on OCIMF Marine Injury Reporting Guidelines Sec 4)

The number of Lost Time Injuries per unit exposure hours. Unit in respect of LTIF is one-million-man hours. Lost Time Injuries are the sum of Fatalities, Permanent Total Disabilities, Permanent Partial Disabilities and Lost Workday Cases as based on OCIMF Marine Injury Reporting Guidelines Sec 3.

Marine Casualty (Based on IMO Casualty Investigation Code Ch 2 -2.9)

A marine casualty means an event, or a sequence of events, that has resulted in any of the following which has occurred directly in connection with the operations of a ship:

- the death of, or serious injury to, a person
- the loss of a person from a ship
- the loss, presumed loss or abandonment of a ship
- material damage to a ship
- the stranding or disabling of a ship, or the involvement of a ship in a collision
- material damage to marine infrastructure external to a ship, that could seriously endanger the safety of the ship, another ship, or an individual or
- severe damage to the environment, or the potential for severe damage to the environment, brought about by the damage of a ship or ships

However, a marine casualty does not include a deliberate act or omission, with the intention to cause harm to the safety of a ship, an individual or the environment.

Material Damage to ship (Based on IMO Casualty Investigation Code Ch 2 -2.16)

A material damage in relation to a marine casualty means:

- damage that significantly affects the structural integrity, performance or operational characteristics of marine infrastructure or a ship; and
- damage that requires major repair or replacement of a major component or components; or
- destruction of the marine infrastructure or ship.

Very serious marine casualty (Based on IMO Casualty Investigation Code Ch 2 -2.22)

A very serious marine casualty means a marine casualty involving the total loss of the ship or a death or severe damage to the environment.

Permanent management positions (ex. Directors and senior executives) – shore-based

Total Management other than directors of the Company (VPs, GMs, Senior Managers and Managers with one or more direct reports). The five Non-Executive Directors are not included as employees of the Group.

Permanent seafarer officers

Defined as officers living in Scandinavia.

