



Sustainability Report 2021

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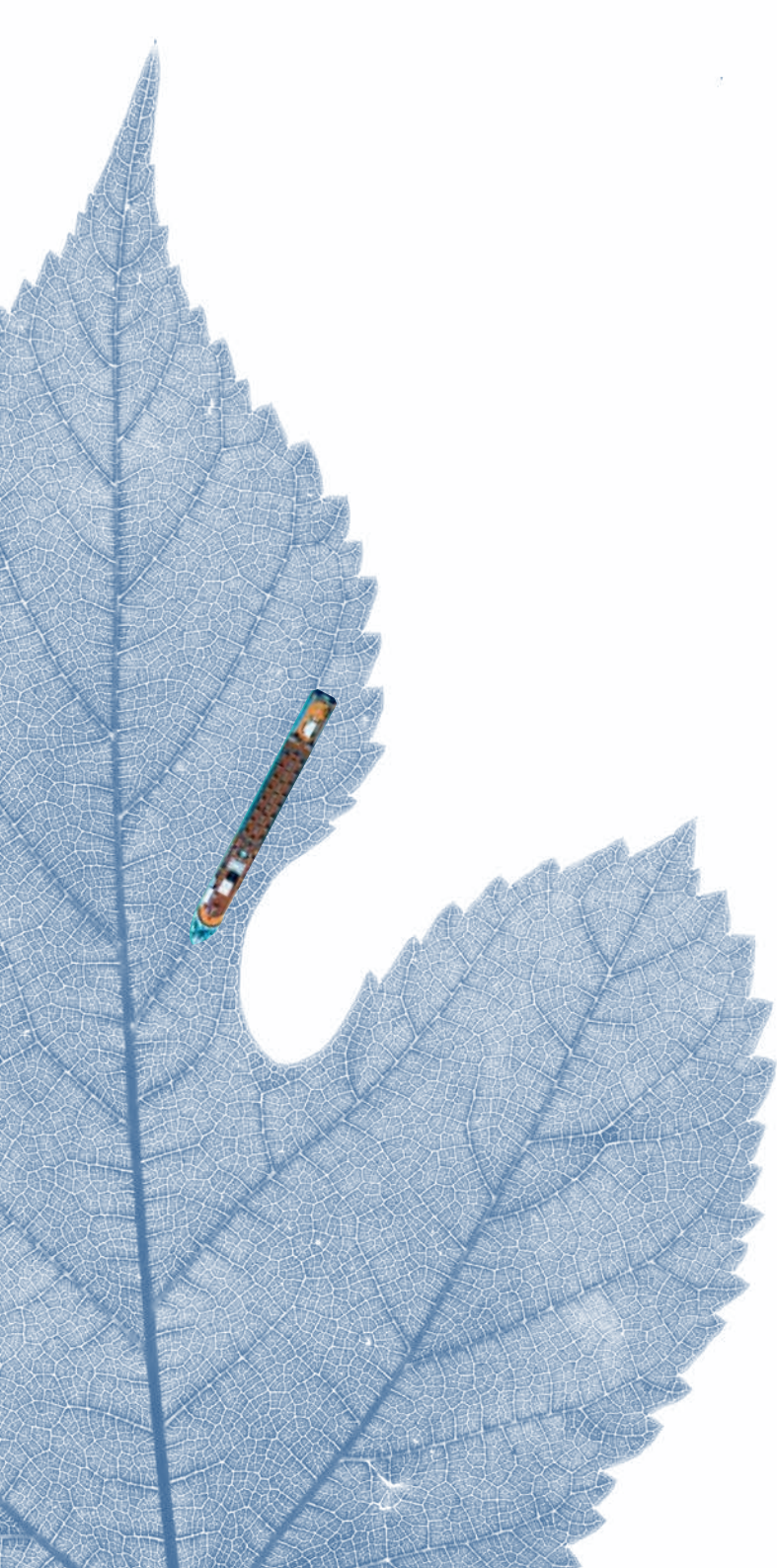
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About this report

The content of this report is defined by a materiality assessment conducted in 2021 and covers activities in the calendar year 2021.

Wilhelmsen Ship Management's report follows Wilhelmsen Group's strategic review in 2021 aligned with the UN Sustainable Development Goals (SDGs).

This is the third year that we report in accordance with the Global Reporting Initiative (GRI) Standard: Core option. No external assurance has been undertaken.

This report serves as our communication of progress (COP) and our continued commitment to the ten principles of the UN Global compact.

Scope of this report

Entities not wholly or majority owned are not included in this report:

- Diana Wilhelmsen Management (49%)
- Norse Wind (50%)
- Wilhelmsen Ahrenkiel Ship Management (50%)
- Barber Ship Management (80%)

Management approach

We use a materiality assessment to identify the aspects of our business that we believe have the most impact on the environment and the societies in which we operate.

We continued our active and collaborative stakeholder engagement over the year through our memberships for example in the Sustainable Shipping Initiative, IMPA SAVE, and the Maritime Anti-corruptionNetwork (MACN).

In 2021, Wilhelmsen Group conducted a materiality assessment to account for changes to the internal and external context since 2020. Based on the assessment, the group management team prioritised four strategic topics that were approved by the Board:

- Decarbonisation and green growth
- Health and safety
- Equality, diversity and inclusion
- Compliance and supply chain management

Wilhelmsen Ship Management is accountable for integrating these topics into our strategies and annual plans. We intend to contribute actively and positively to the targets of the Sustainable Development Goals (SDGs) that are integrated in the group's long-term strategy.



Message from our CEO and President

2021 has been all about shipping decarbonization, pushing the maritime industry to redefine its objectives by adding the environment factor into their decarbonization journey.

To meet the short-term objectives towards net zero, we have started the work of transitioning owners towards compliance with the Energy Efficiency Design Index (EEXI) and Carbon Intensity Indicator (CII).

We are assisting shipowners in newbuilding supervision of low or zero emission dual fuel vessels. It is a steep learning curve as ship design for future ships would differ from conventional ships in many aspects. We are investing our resources to increase our competence in this area to provide the necessary support to our owners as they transition towards their net zero journey.

It is also our responsibility to ensure sustainable development of crew competencies when it comes to operating low or zero emission bunker alternatives. From the nuts-and-bolts training to technology-enabled automation requirements, our seafarers will be able to manage all vessel-types. Seafaring must be seen as a rewarding career through continuous learning and upskilling with opportunities to advance in both seafaring and shore-based roles.

COVID-19 continued its affect in 2021, and we are doing everything we can to care for our seafarers' wellbeing. As ship managers, we advocate the right for good living conditions onboard. When a seafarer can call a vessel a home away from home, we know we are on the right track in vessel performance. After all, a happy worker is also a productive one.

In order to run a sustainable business, we pledge to work with like minded companies, and that includes our customers and suppliers. We implement stringent due diligence process before entering into any contractual relationship. We want to work with the right partners to achieve a sustainable trade.

I hope you will find this report interesting and useful.

Sincerely,

Carl Schou

President & CEO
Wilhelmsen Ship Management



Performance with Care

Wilhelmsen Ship Management is a ship manager that is not only committed on delivering high performance but one that is operating responsibly to protect our planet and empowering people around the world.

Delivering Performance with Care translates to being a responsible ship manager with a progressive aim to become a better corporate citizen by having the People, Environment and Trade & Customer calculated into our operations.

Where sustainability issues present risks, they also present opportunities. Our goal is to provide an industry leading service, providing sustainable solutions for our customers and stakeholders. Our employees are in the frontline of making this happen.

1 PEOPLE

We aim to create an environment where employees and communities thrive

2 ENVIRONMENT

We aim to manage and reduce our environmental footprint throughout the value chain that we operate in

3 TRADE & CUSTOMER

We aim to be recognized as the market leader that offers the best experience through ethical and responsible practices



Key figures

NET ZERO GHG EMISSIONS AMBITION

2030

Net zero in own operations
from ~5,000 tCO₂e

2040

Net zero in value chain –
working with our partners and suppliers

2050

Net zero in portfolio investments
from ~1.7million tCO₂e



25%

Females in
leadership position



10,988

Crew mobilized



On target LTIF result
(not to exceed 0.40)

0.35

on board



852

Suppliers screened using
the sustainability criteria



32%

Reduction of single-use plastic
water bottles consumption on
board our managed vessels



100%

Of our employees completed
cyber security training





100%

Of our employees completed
Wilhelmsen Business
Standards training

PEOPLE

ALIGNMENT WITH SDGS	MATERIAL TOPICS	TOPIC COVERAGE	OUR POSITION	OUR EFFORTS
 	Equality, diversity and inclusion	Respect and protection of equal opportunities.	We provide an engaging and safe working environment where equal opportunities are available for all. We strive to retain and attract a diverse and talented workforce with the right competence, experience, skills, and motivation.	Employees are our biggest asset and we proactively look into ways to create a working environment that promotes equal opportunity and diversity.
	Competence development	Investing in human capital.	To meet current and future demands, we need to continually renew ourselves, to work smarter and improve our fields of expertise.	Moving towards a cleaner future, we pay particular attention towards renewables, technological and digital capabilities. Competence to operate ships powered by new technology is crucial and we are ramping our training modules to meet this demand.
	Occupational health and safety	Accidents, injuries and absence.	We are committed to safeguard the physical and psychosocial health of our employees and seafarers; operational and process safety including accident prevention; and wellbeing.	We provide a safe working environment for our employees and seafarers. We proactively look into initiatives to strengthen the HSEQ culture onshore and onboard.
	Human rights and employment conditions	Respect and protection of fundamental human rights.	We conduct business with respect for human rights with sound, safe working conditions free from discrimination. We are committed to develop a conducive environment for employees to thrive and assisting them to reach their highest potential.	Efforts include respect and protection of working conditions, equal treatment and non-discrimination practices, labour standards, and labour relations including freedom of association, collective bargaining, working hours, rest, minimum age, fair wages, and adherence to the ILO Maritime Labour Convention.
	Local communities	Responsible relations with local communities.	Philanthropy is the cornerstone of our commitment to investing in communities that we operate in.	We actively work on initiatives to give back to our local community. This is especially so in the seafaring community that is the backbone of the shipping industry.

	ALIGNMENT WITH SDGS	MATERIAL TOPICS	TOPIC COVERAGE	OUR POSITION	OUR EFFORTS
ENVIRONMENT		GHG Emissions	GHG emissions from own operations.	We minimise GHG emissions within our operations. We are committed to understanding, managing and minimising our environmental footprint across our value chain, including our business operations, suppliers and customers.	We aim to reduce our direct and indirect emission from our own and customers' operations.
		Green growth and decarbonisation	Low-carbon / circular products and services.	We pursue investments and new business models aimed at decarbonising the maritime industry, enabling the energy transition and renewable energy, and sustainable service offerings.	We are assisting our customers to meet their decarbonization goals. We are supporting our clients in newbuilding supervision of their alternative fueled and dual fueled vessels constructions.
		Diversity, ecosystems and circular economy	Reduce, reuse and recycle to minimise resource use that would impact the environment.	We actively monitor our waste management practices as part of our business operations and environmental conservation efforts.	Stewardship is a value embedded in the Wilhelmsen culture. We promote responsible consumption and recycling programs onboard and onshore.
TRADE AND CUSTOMERS		Compliance	Business ethics and anti-corruption.	We view any non-compliance on business ethics and anti-corruption seriously and we actively promote the positive impact of responsible business culture at the workplace and community.	We are guided by our policies on ethics and anti-corruption. Our efforts are focused on strengthening responsible business culture.
		Cyber security and data protection	Strengthening risk management and governance.	We take cyber security and data protection seriously and have adopted appropriate security measures to protect our data.	We continuously improve our cyber security maturity, and increase employee competence in cyber security and data protection risk prevention behaviour.
		Supply chain management	Responsible procurement and supplier monitoring.	We are committed to create a sustainable supply chain and will only work with suppliers that shares the same value.	We ensure our sustainability expectations are clear for our suppliers and they are compliant with our standards. This includes standards and practices addressing human rights, employment conditions, compliance, business ethics and anti-corruption, health and safety, diversity and inclusion, emissions, waste and recycling.

People

The most important element in our company.

We believe that a great workplace can build a great workforce. We aim to create an environment where employees and communities thrive.

SDG Targets

8 DECENT WORK AND ECONOMIC GROWTH



8. Decent work and economic growth -

Achieve higher levels of economic productivity, improve global resource efficiency and decouple economic growth from environmental degradation (Targets 8.2, 8.4). Achieve full and productive employment and decent work, eradicate forced labour, modern slavery, human trafficking and child labour, protect labour rights and promote safe working environments (Targets 8.5, 8.7, 8.8)

5 GENDER EQUALITY



5. Gender equality -

End all forms of discrimination against all females and girls everywhere (5.1). Ensure full participation in leadership and decision-making (5.5).

Equality, diversity and inclusion

The maritime industry has been and still is male dominated. A global company like us appreciates diversity.

Our engagement survey results showed a company culture characterised by zero-tolerance for harassment and discrimination, a place where differences are valued and respected, and a stable percentage of females in the organization.

These can be improved and we believe an even more diverse workforce is valuable for several reasons:

- It allows us to access the broadest talent pool possible
- It enables better decision making and increased value creation
- It is part of our social responsibility, contributing to higher workplace participation

We aim to enrich our workforce with diversity and we will continue to include diversity criteria in our talent programmes.

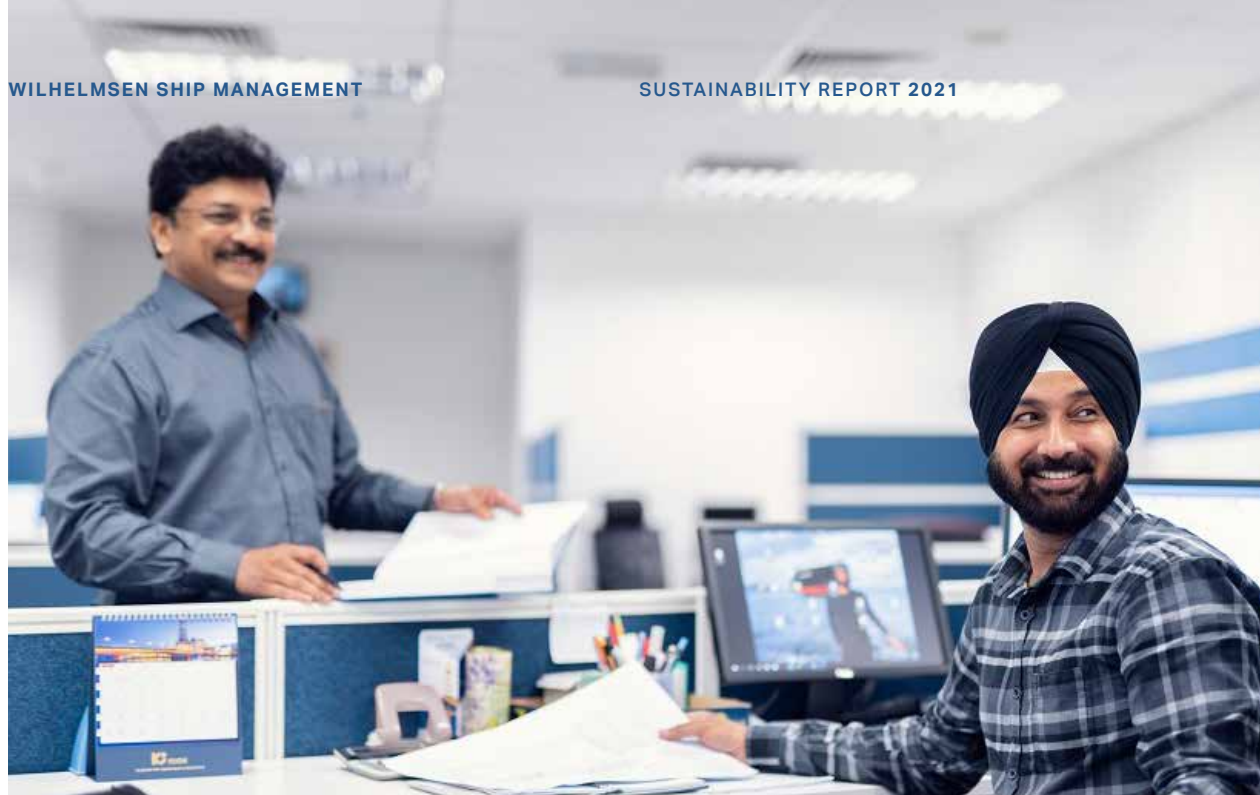
Harassment and discrimination based on race, gender or similar grounds, or other behaviour that may be perceived as threatening or degrading, is not acceptable. We strive to build a culture where employees feel safe, heard, accepted for who they are and what they bring to the workplace. We conduct an annual Engagement Survey capturing discrimination, harassment, and inclusion.



Demographics

Wilhelmsen has a clear policy stating that employees have the right to equal opportunities.

At the end of 2021, there were 560 employees on shore and 10,988 seafarers in Wilhelmsen Ship Management. 25% of senior management team positions were held by females.



DEMOGRAPHICS - EMPLOYEES

	2021	2020	2019
Onshore	560	533	530
Crew	10,988	10,639	10,230
Turnover rate onshore	9.9%	7.3%	1.57%

DEMOGRAPHICS - DIVERSITY

	2021	2020	2019
Number of nationalities - onshore	27	27	27
Females - % senior management	25%	25%	25%

Employee engagement survey

We conducted the annual employee engagement survey, measuring our ability to provide an engaging and safe work environment, the third quarter of 2021.

The results point to consistent and positive high engagement, where employees feel positively taken care of during the COVID-19 pandemic.

However, there is always room for improvement. Senior management and individual managers in all locations were required to conduct follow up discussions with their teams. Where results were less than the expected benchmark, managers were required to implement specific actions to improve results.

In addition, employees are offered an annual performance review and mid-year review where achievements are recognised, development areas discussed and targets for the second period agreed.

Engagement survey and performance appraisal

RESPONSE RATE	2021	2020	2019
Engagement survey completion rate	95%	89%	95%
Engagement survey score	79%	77%	77%
Performance appraisal completion rate	94%	95%	91%





Just Culture

We want to create an environment where our employees and seafarers can thrive.

In 2020, we implemented Just Culture on shore and on board. The principles of Just Culture provides assurance to our employees and seafarers that we have a workplace that is built on trust and responsible behavior where everyone is encouraged to share essential information without fear.

Through 2021, Just Culture was part of all employees onboarding process. Working with 27 nationalities on shore, we want to create an environment where people from various cultural and heritage differences can openly express their concerns on the processes and systems that may affect their work performance.

For seafarers, Just culture complements our existing focus on safety onboard. Their feedback is crucial to ensure that our systems and processes onboard is robust to support them in their daily operations and ensuring their safety while performing their duty.

Competence development

To truly live our vision of shaping the maritime industry and building on our values, learning and innovation and teaming and collaboration, we consistently work to stay relevant and ensure we have the skills and competencies necessary to create business value today and in the future.

Our approach to learning includes three simple words – learn, apply, and share. By learning something new, applying it in our work, and sharing it with our colleagues, we know we create greater business impact. A learning organisation with motivated employees contributes to efficient operations and has a positive effect on revenue and earnings.

Personal development plans are integrated in our performance appraisal and review processes. In 2021, employees were encouraged to spend minimum eight hours of training. For most of our employees, the number of hours is a lot higher. In addition to formal training, employees also conduct mandatory training, and most will learn and apply new things as part of their continuous improvement and development of their working day.

We are one of the maritime partners working closely with the Singapore Maritime Foundation (SMF) to nurture young talent in the maritime sector. In 2021, we have sponsored a student under the The MaritimeONE Scholarship in his studies in naval architecture at the Singapore Institute of Technology. Besides providing financial incentives, we have pledged to offer MaritimeONE scholars possible career and internship opportunities.

Our seafarers have extensive, ongoing training throughout the year to comply with rules and regulations and best practices. Our systems are built to ensure authentic certificates are achieved and essential competencies are learnt by our seafarers, rather than for collecting quantitative statistics such as number of training hours/days. We are therefore not able to report on the average number of training hours per year for seafarers.

Officers Conferences continued in an online environment in 2021 due to travel restrictions.



Laurette Zachary, our sponsored student in The MaritimeONE Scholarship programme.

Crew competence for future ships

As shipping industry moves towards a decarbonized future, there will be more requirements for ship owners to comply towards energy efficiency and lowering emissions to low or zero levels. There will be greater reliance on technology to achieve the goals and there will be a change in skillset requirements in managing dual fueled vessels and alternative fuel vessels such as methanol, ammonia and hydrogen fueled vessels.

We see that there will be a shortage of experienced and certified seafarers in operating these ships and we have been ramping up our efforts in preparing our crew training and certification to ensure that we have enough crew supply to meet the increasing demand.

As a ship manager, we are focused in developing a pipeline of competent seafarers to ensure that we have the right crew to operate future ships in a safe and efficient manner.

Leadership development

Securing an inspiring and engaging work environment where our employees can do their best and live up to the standards in our governing elements, requires a lot from our leaders.

Our leadership development journey consists of two to three learning modules per year for all leaders. In 2021, 139 targeted leaders completed one module on our leadership expectations and one module on leading in challenging times. 22% of the participants were female.

Succession management

To ensure that we have a diverse and sustainable pipeline of leaders, a new succession management process was introduced in 2021 that included 10 leaders from upper management : 90% from Asia and 10% from Europe.

As part of securing a sufficient and diverse pipeline of leaders, the succession process will be extended to more positions in 2022.



Occupational health and safety

We operate ship management and manning offices on four continents providing full technical management, crewing and related services for all major vessel types. Simply put: People are our most valuable asset. That is why we take pride in creating an attractive, engaging, and safe workplace, and nourishing a culture where employees around the world deliver the right results, the right way.

On board

During the year, safety campaigns focused on COVID-19 measures and mental health and wellness. Crew changes remain challenging and were conducted where possible, when risk mitigation conditions were met, and according to international and local guidelines.

The lost-time injury frequency (LTIF) rate for sailing personnel was 0.35, within the target not to exceed 0.40. The total recordable case frequency (TRCF) rate was 1.26, within the target not to exceed 2.80. Sickness absence was 0.02% and no occupational disease cases were recorded. The targets will remain the same for 2022.

All reported incidents were investigated to avoid similar incidents in the future, improve necessary training and awareness measures.

In an effort to continue increasing safety awareness, we have implemented Shell's Maritime Partners in Safety (PiS) program across all managed fleets. The PiS Program is a well-recognized safety awareness training program which was developed by Shell. We adopted selected trainings from PiS reflective learning to complement our safety hazard hunt campaigns for those onboard.

Our CEO and senior management team continue their on board visits in 2021 to drive the safety message, observe the overall well-being and their living conditions of our crew. Personal visits and open dialogues with the crew help us identify improvement opportunities and receive feedback in accomplishing our health and safety commitments.

On shore

For onshore operations, majority of our employees are working from home in most countries. Our campaigns are focused on mental and physical health and wellness.

The LTIF and TCRF rate onshore were 0 in 2021 as most of our employees were working from home. The sickness absence rate was 1.3% for onshore operations, in line with previous years. The targets will remain the same for 2022.

We took note that a typical pandemic work-from-home day can easily breach into one's work life balance when there is no boundary between workplace and home. As a proactive measure to prevent burnout amongst our employees, we implemented the "No Teams call on Friday noon" for employees to introduce a more sustainable way of working practice.

Our CEO and President, **Carl Schou** (right), on one of his vessel visits.



Our CEO and President, **Carl Schou** (center), briefed by our crew on the safety processes on board.



ON BOARD (EXPOSURE 24 HOURS A DAY, 7 DAYS A WEEK)

Crew	2021	2020	2019
Exposure hours	34,001,856	35,570,856	29,683,152
Lost time injury frequency rate (target 0.50)	0.35	0.28	0.32
Total recordable case frequency rate (target 2.60)	1.26	1.4	1.46
Safety observations	9,973	10,969	9,782
Sickness absence	0.02%	0.01%	n/a

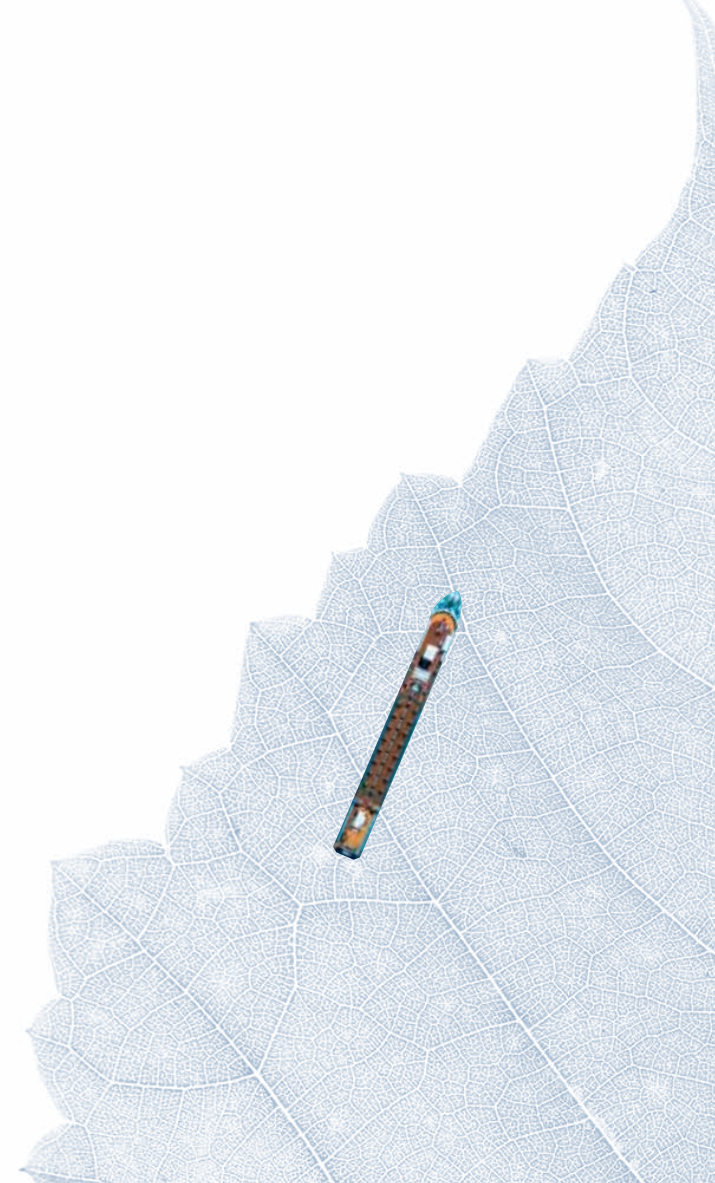
ON SHORE (EXPOSURE 8 HOURS A DAY, 5 DAYS A WEEK)

Shore-based employees	2021	2020	2019
Exposure hours	1,112,260	1,060,249	1,015,278
Lost time injury frequency rate (target 0.50)	0*	0*	0.98
Total recordable case frequency rate (target 1.50)	0*	0*	0.98
Safety observations	0	0	1
Sickness absence	1.3%	1.1%	1.66%

* Due to the pandemic a majority of our employees are working from home

OVERALL PROGRESS ON TARGETS

Target 2021	Result 2021	Target 2022
LTIF onshore not to exceed 0.40	0	not to exceed 0.40
TRCF onshore not to exceed 1.00	0	not to exceed 1.00
LTIF onboard not to exceed 0.40	0.35	not to exceed 0.40
TRCF onboard not to exceed 2.80	1.26	not to exceed 2.80



Response to COVID-19

In 2021, we continue to apply appropriate COVID-19 response measures and wellness activities for our employees.

The focus was on physical and mental health and safety, working conditions (including working from home), employee assistance programs, employee engagement surveys and opportunities for personal development.

Through 2021, we have responded globally and locally to the situation with communications, site risk assessments, business continuity planning and situation reporting in place for our business units and local emergency response teams.

During our annual engagement survey, employees responded that they feel well taken care of, have received sufficient and timely information, have experienced the company taking sufficient measures to reduce risk of infection, and have been able to keep motivation despite most working from home.

In 2021, we introduced an employee driven health and wellness hub. The hub is a place for employees to share their experiences and thoughts about staying well and how to deal with the pandemic during challenging times. The hub also includes information related to nutrition, fitness, mental wellness, and support tools.

We have also followed up with a virtual session conducted by a certified professional to help employees recognize the early signs of burnout and ways to alleviate it. Employees are encouraged to access professional support if needed.

For our seafarers, the challenges related to crew change continued into 2021. During the year, we have conducted crew changes where possible, when risk mitigation conditions were met, and according to international and local guidelines.

Vessel visits, where possible, continued regularly to ensure crew health, safety, and wellness. At the same time, we sought feedback from crew on how we can support them better during this difficult time. Where visits are not possible, our CEO conducts personal calls to speak with crew and keep morale high – a gesture that is very appreciated by our crew.

Together with industry heavyweights, we have also been active in raising awareness of the need for seafarers to be recognised as key workers, to enable the safe and unhindered movement of seafarers to and from their workplace.

We are extremely grateful at the resilience of our crew showed during these times.



MaritimeSG Care Excellence Award

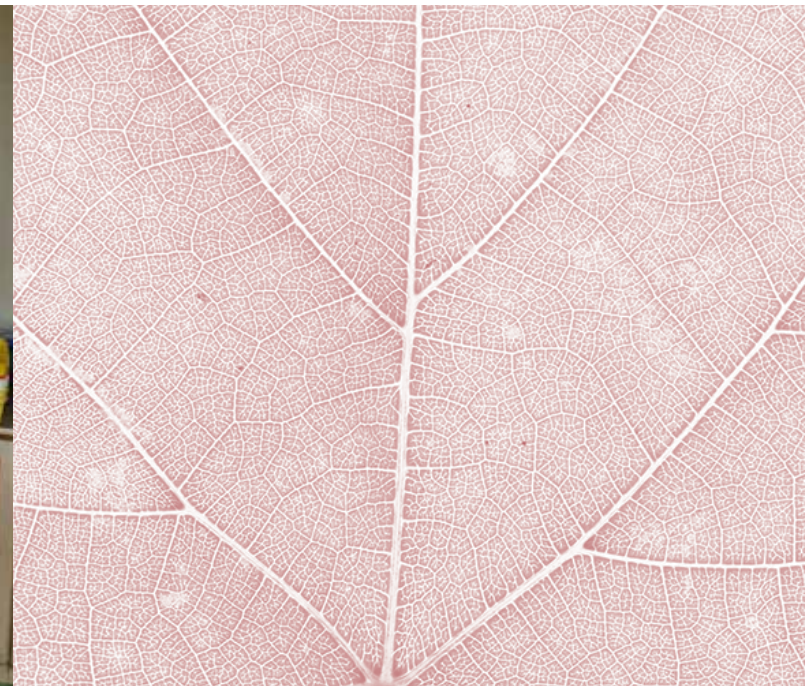
On 30 November 2021, Crewing Superintendent in Singapore, Michelle Soh, took home the MaritimeSG Care Excellence Award in a ceremony organised by the Maritime Port of Authority (MPA).

Michelle was recognised for her hard work and dedication during the pandemic. She went the extra mile to safeguard the welfare of seafarers including recruiting and mentoring five female cadets, adding diversity to our managed fleet.

Crew vaccination

We have facilitated COVID-19 vaccination to any crew that has accepted the offer to be vaccinated. Where possible, we have made coordinated efforts with the crew to conduct vaccination on board the vessel.

As of end-2021, approximately 70% of our seafarers have been fully vaccinated.



Human rights and employment conditions

We support and respect the protection of internationally proclaimed human rights. As an employer, we uphold the freedom of association and recognise the right of our employees to collective bargaining.

We are also committed to eliminating all forms of forced and compulsory labour including child labour, modern slavery, and human trafficking, and to eliminate discrimination in respect of employment and occupation.

Local and internationally accepted labour and human rights form the basis for how we treat our employees. To ensure decent working conditions, our People policy states that we will:

- provide an engaging and safe work environment with equal opportunities for all employees to contribute and create value,
- offer a professional and consistent management of our people, and
- offer employees possibilities to grow and excel.

In 2021, there were no cases reported related to human rights to the whistleblowing channel.

During the year, we updated our People Policy to also include our ambition to engage with suppliers and customers that demonstrate their commitment to the UN Global Compact or similar through transparently reporting on their environmental, social, and governance practice and performance and/or contribute to accelerate such a commitment.

We are Maritime Labour Convention (MLC)-compliant. All seafarers' contracts are in accordance to local Collective Bargaining Agreement (CBA)s and International Transport Workers' Federation (ITF) standards.

We strive to create a culture where our employees around the world deliver the right results in the right way. The Wilhelmsen governing elements are the foundation for our culture. We are committed to supporting employees in developing their competence and experience to perform in their roles and develop their careers.

Healthy and nutritious food are provided to our seafarers.



Collective action for seafarer's rights

The Institute for Human Rights and Business (IHRB), Rafto Foundation for Human Rights (RAFTO) and Sustainable Shipping Initiative (SSI) have jointly formed a working group to develop a Code of Conduct for seafarer rights. We are one of the members in the working group. The Code of Conduct was launched on 12 October 2021.

The Code of Conduct seeks to:

- emphasize seafarers rights in the Maritime Labour Convention that are not being adequately enforced; and
- include rights and issues that are important to seafarers but not currently covered in the regulation.

The objective of the Code of Conduct is to provide a point of reference for shipowners and ship operators to understand the extent of meeting seafarers' rights and welfare responsibilities their current operations; and charterers and cargo owners to strengthen due diligence that in turn informs chartering-related decision-making.

Ultimately, this Code of Conduct, aims to lift the industry standard of seafarers' welfare above and beyond MLC compliance.



Rightship - Self Assessment Test

Rightship launched a self-assessment test together with the Code of Conduct to provide concrete guidance to shipowners, operators, charterers and cargo owners to understand the extent to which current operations meet their seafarers' rights and welfare obligations.

The Code of Conduct and self-assessment will help build a platform to respect worker dignity while advancing industry progress.

Wilhelmsen Ship management Singapore Pte Ltd is one of companies that have completed the assessment and we are working on to close the gaps identified in this assessment.

We note that there will always be room from improvement and aim to track our progress in 2022.



RIGHTSHIP

Crew Welfare Self-assessment Results



Self-Assessed, Wilhelmsen Ship Management Singapore Pte Ltd
Valid until 1 Oct 2022
Applies to all vessels under this DOC



Start your self-assessment

Please follow the prompts to complete your crew welfare self-assessment. Items listed are used to drive further you begin.

- 1. The assessment that helps you start the journey you should use the Code of Conduct and list of action objectives so that you can ensure you have all the items on it for going for forward when completing the survey.
- 2. Your participation shows your dedication to improve crew welfare.
- 3. All submitting companies will have a crew welfare badge on their vessel page on our platform your written for Rightship Platform once the self-assessment has been completed.
- 4. The information you provide will not be made public.
- 5. The questionnaire was developed by the SSI, IHRB with input from Rightship.
- 6. The crew welfare self-assessment doesn't impact your existing safety and sustainability results.

Not a shipowner? You will not be able to complete this survey if you are not a shipowner or ship manager. But you can find out more about our mission and what we're achieving for 2022.

BMC Company name

Search for a Company (Company ID)

SSA Action Comments

First name

Last name

Position

Local communities

We care for the local communities in which we operate in and as a responsible employer it is important for us to give back to the communities. Each year, our employees are therefore invited to make a difference in their community by applying for Wilhelmsen's "Do good locally program" funding on behalf of a local not for profit organisation.

In 2021, we focused efforts to aid underprivileged girls in India, a country where one of our largest seafaring community originated from. We worked with Uplift Foundation, a registered and independent social organization based in India, in one of their projects to provide education aid to underprivileged girls who could drop out of school due to the economic impact from the pandemic.

We believe that no one should be deprived of a proper education and identified 10 girls in India that will benefit from our sponsorship. Two monetary donations were made to Uplift Foundation throughout the year to continuously contribute towards the girls' education.



Image: Uplift Foundation





Images: Coral Triangle Center

Wilhelmsen was a sponsor of the Nordic National Day Green Run – a fundraising run and walk for sustainable oceans organised by the Norwegian Embassy in Singapore.

As one of the sponsors, we have pledged to donate 1SGD per km covered by Team Norway with all donations going to the Coral Triangle Center and their work for sustainable oceans.

Colleagues based in all over the world participated and made the extra effort in running the extra kilometres for the Norwegian Team on Strava. In the end, Wilhelmsen contributed a total of SG\$18 201 (NOK 114 150) to the Coral Triangle Center that would go into supporting marine conservation efforts in Indonesia and the Coral Triangle.



Environment

Our focus is simple: to manage and reduce our environmental footprint.

Our ambition to reduce carbon emissions and addressing wider industry and societal issues linked to climate action, marine litter and pollution.

SDG Targets

13 CLIMATE ACTION



13. Climate action –

Strengthen resilience and adaptive capacity to climate-related hazards, and integrate climate change measures into policy, strategy and planning (Targets 13.1, 13.2).

14 LIFE BELOW WATER



14. Life below water –

Prevent and significantly reduce marine pollution, sustainably manage and protect marine and coastal ecosystems and minimize and address the impacts of ocean acidification (Targets 14.1, 14.2, 14.3)

7 AFFORDABLE AND CLEAN ENERGY



7. Affordable and clean energy –

By 2030, increase substantially the share of renewable energy in the global energy mix (target 7.2). By 2030, double the global rate of improvement in energy efficiency (Target 7.3)

GHG emissions

Our ambition is to shape the maritime industry's transition towards net zero emissions and capitalise on green growth. In practice, we focus on greenhouse gas (GHG) emissions; biodiversity and ecosystems; circular economy; and green growth and decarbonisation.

Climate change and Greenhouse Gas (GHG) Emissions

In 2021, we took part in the group's long term GHG emissions ambition in the long-term strategy to reach:

1. Net zero emissions in own operations before 2030
2. Net zero emissions in the value chain before 2040
3. Net zero emissions in portfolio (equity investments) before 2050

The comprehensive management of climate risk and GHG emissions based on the Task Force on Climate-related Financial Disclosures (TCFD) framework can be found in **Wilhelmsen's Sustainability Report 2021**.



SCOPE 1 AND 2 EMISSIONS

As a ship manager, we do not have assets and company-owned vehicles that directly contribute to emissions within Scope 1. The main source of the emissions are Scope 2 emissions related to energy consumption from on shore offices.

Scope 2 emissions in tonne of CO₂ equivalent (tCO₂e) from six of our largest offices:

TCO ₂ E		
YEAR	SCOPE 1	SCOPE 2
2020	0	50
2021	0	67

Office sites are particularly challenging to account for as the majority of our offices are too small to tabulate emissions.

In 2022, we continue to work within the group to reduce the intensity and greenhouse gas emissions of our operations.

SCOPE 3 EMISSIONS

Travel by air for employees commuting for business fall within the emissions calculated in Scope 3.

TCO ₂ E		
YEAR	SHORE STAFF	SEAFARERS
2020	555	16,420
2021	250	34,650

Travel plan optimization is key to secure seafarers join vessels and return home in a safe, secure, and efficient manner.



Green growth and decarbonisation

Energy Efficiency Design Index

We support our customer's transition to comply with the upcoming emission regulations, such as the Energy Efficiency Design Index for existing ships (EEXI) and Carbon Intensity indicator (CII) which come into effect on 1 January 2023. Owners will need to take technical and operation measures to adjust their vessel's emissions to a required level. We provide professional support by helping them address the challenges of energy transition and decarbonisation of shipping in vessel operations including:

Energy Efficiency Design Index for Existing Ships (EEXI)

- EEXI calculation and EEXI technical file preparation
- Improving EEXI for non-compliant ships by installation of Engine Power Limitation (EPL) system
- Onboard Management Manual preparation

Carbon Intensity Indicator (CII)

- Carbon Intensity Indicator assessment based on IMO DCS reported data (rating of vessel)
- Possible means of improvement of CII by both technical and operational means

Newbuilding supervision for eco-conscious vessels

We will be increasing our competence in newbuilding supervision construction of alternative fuel vessels. Ship design for these alternative fuel ships would differ from conventional ships in many aspects. This is especially so in the storage space needed for alternative fuel versus conventional bunker fuel. We are assisting our owners in these areas:

- Technical specification that maximizes energy efficiency utilizing hydrogen, methanol or ammonia as fuel
- Ship design aspects relative to safety and risk
- Optimized design philosophy for the bunker containment system

We have been appointed by MPC Capital to supervise the newbuilding of four 5,500 TEU, state-of-the-art eco-friendly container vessels. The delivery of the first vessel is scheduled for the second quarter of 2023.

Getting to Zero Coalition

We are a signatory for the Call to Action to fully decarbonize international shipping by 2050. The Call to Action was delivered to world Governments in November 2021, in advance of the UN Climate Change Conference (COP26). Shipping's green transition is achievable, but we need governments and regulators establish policy frameworks that make zero emission shipping commercially viable, investable, equitable, and inclusive.



New energy

As part of the Wilhelmsen group, we pursue investments and new business models aimed at decarbonising the maritime industry, enabling energy transition and the growth of renewable energy, and sustainable product and service offerings.

A New Energy segment was introduced by the group in 2021 to continue exploring renewable opportunities and to capitalise on the opportunities which will arise from global energy transition. The group committed up to USD 500 million in new business investments related to renewable segments over the next five years

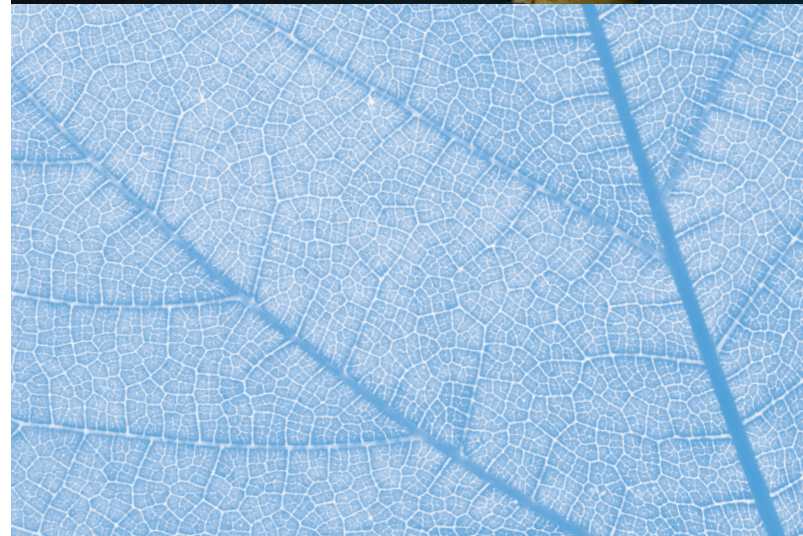
Wilhelmsen Ship Management contributes to the New Energy segment in the maritime activities where New Energy is present in. The present synergies played a good complimentary role between us and New Energy where our technical and crewing expertise will be utilized to manage all maritime assets involved.

Autonomous Shipping

We provide technical and crewing expertise to our joint-venture company Massterly, and continue to partner with industry leaders to move cargo transport from road to sea, and towards zero emissions autonomous logistics chains.

2021 saw the delivery of Yara Birkeland to Norway, an autonomous container vessel owned by fertilizer producer Yara and equipped with cutting edge technology from Kongsberg Maritime. The project's main objective is to reduce diesel-powered truck haulage by 40,000 journeys a year. This means that the vessel will assist in reducing NOx (Nitrogen oxide) and CO2 emissions as well as improve road safety, reduce dust formation, and traffic noise.

In its first few months of operation, our chief engineer and captain will serve on board Yara Birkeland but the long-term plan is for the vessel to run autonomously Massterly's Remote Operations Centre (ROC) in 2022. Massterly will also handle two new battery powered vessels for Norwegian food wholesaler ASKO that will be delivered in 2022, carrying shipping containers across the Oslo fjord.



Biodiversity, ecosystems and circular economy

Overuse or mismanaged use of ecosystem services can lead to contamination, ecological devastation, economic disruption and impacts on human health. In addition, full asset and product lifecycle accountability, as well as growing regulatory requirements require new product and service offerings for the maritime industry. We aim to minimise resource use and the impact of our activities and products on air, soil, and water.

Wilhelmsen Ship Management provides full technical management, crewing and related services for all major vessel types, and as such is in a good position to influence compliant, sensible, safe and environmentally sound operations for vessel owners.

To provide value to customers and reduce environmental impact, we work with customers to optimize vessel and voyage operations to reduce operational costs and emissions, offering our in-house purpose-built data performance tool to enable this.

Our environmental management practices onboard are in compliance to Convention for Prevention of Marine Pollution (MARPOL), Ballast Water Management Convention (BWMC) and The International Convention on Oil Pollution Preparedness (OPRC).

Downward dependency on single-use plastic water bottles

We promote responsible consumption and recycling programs onboard and onshore. We are proactive in reducing plastics in vessel operations by introducing requirements towards suppliers and facilitating industry initiatives to reduce single use plastics in the maritime industry.

Our pledge to reduce single use plastics water bottle started in May 2019, and the purchase for single-use plastic water bottles for onboard consumption has reduced significantly year-on-year. We have been successful with our campaign and plastic water bottle purchases dropped a further 32% in 2021 compared to the year before.

Our crew today are more conscious and made active choices to drink water from water dispenser onboard using the steel water bottle provided by us. Our work is far from over, and we pledge to continue advocating sustainable lifestyle choices.

We are committed to the first milestone of the IMPA SAVE program to reach zero plastic drinking water bottles by 2025.

In 2022, we plan to award fleet groups who made the most impact with reducing plastic water bottle consumption.



Trade and Customers

Doing the right things the right way is the foundation of our governing elements and culture.

We ensure our sustainability expectations are clear for our customers, partners and suppliers and that products and services are compliant with our standards.



SDG Targets



13. Climate action –

Strengthen resilience and adaptive capacity to climate-related hazards, and integrate climate change measures into policy, strategy and planning (Targets 13.1, 13.2).

Compliance

Our ambition is to be a responsible, trusted, and compliant value chain partner. We are guided by our policies on ethics and anticorruption. Efforts are focused on strengthening responsible business culture.

The industry we are operating in is exposed to several risks. To mitigate risks and prevent and mitigate unethical business practises, we have a governance system in place including policies, audits, risk assessments, and reporting. We also have an external and internal whistleblowing channel and perform continuous awareness training to ensure our employees understand our expectations.

We also find it valuable to participate in networks with other companies in our industry and other business partners, for example the Maritime Anti-Corruption Network (MACN), as we believe in collaborating to move the industry and the world in the right direction and contribute to develop regulatory requirements.

Whistleblowing channel

We have zero-tolerance for corruption, and we work tirelessly to achieve a culture of fully compliant employees.

The whistleblowing channel provides all employees and external stakeholders with a secure channel to report violations of laws, our governing elements, and internal policies. Our whistleblowing channel enables all employees of Wilhelmsen, business partners, and stakeholders to report any serious concerns or offenses in a confidential manner. The whistleblowing channel can be found on wilhelmsen.com.

In 2021, 28 whistles were reported through the channel. There were no confirmed incidents of corruption and no confirmed incidents of discrimination and harassment.

Cases reported *

	2021	2020	2019
Whistle blowing channel	28	25	19

** Wilhelmsen Group figures*

Awareness training

Facilitation payments remain a challenge in the industry. We do not tolerate any form of corruption, and we expect all employees to live up to the high ethical standards we lay down in our governing elements and Code of Conduct. Business standards work is ongoing and constant, and our stakeholders depend on us being a transparent and compliant partner.

All new employees participate in mandatory business standards training as part of the onboarding process. The training addresses anti-corruption; theft and fraud; GDPR and data protection; competition law; and whistleblowing.

An impressive 100% of employees completed business standards training and a selected group of employees also completed specific competition law training. Reaching a 100% compliance rate even for mandatory training requires hard work. In addition to having built a strong culture with focus on high ethical practice over many years, we believe that our success is a result of active management attention, dashboards monitoring progress, screen savers reminding our employees of the tasks ahead, and a wide range of communication activities through several channels.

In 2022, we will conduct a refresher training for all employees worldwide, running a shorter version of the business standards training with the target of 100% completion.



Business standards completion rate	2021	2020	2019
Onshore employees	100%	84%	96%
Seafarers	96%	92%	64%

Wilhelmsen whistleblowing channel

The whistleblower channel provides all employees and external stakeholders with a secure channel to report violations of laws, our governing elements and internal policies.

We endorse the highest ethical standards and hold a strong commitment to achieving the right results the right way. Therefore, it is important that we have a channel where whistleblowers are protected and possible violations can be reported and dealt with as early as possible.

All reports are treated in a strictly confidential manner. Should you wish to remain anonymous, it is not possible for Wilhelmsen group to trace your identity through this channel.

Code of conduct

The purpose of the code is to describe our business ethics standards. It applies to all our employees and others working with or for the group. The code covers:

- Compliance with the law
- Fair business conduct
- Financial offerings, gifts and entertainment
- Corruption and bribery
- Working environment
- Drugs and alcohol
- Conflicts of interest
- External engagement
- Confidential information and insider dealing

We strive to create a culture where our employees around the world can deliver the right results in the right way.



Cyber security and data protection

Our objective is to minimise cyber security risk and data protection risk and to secure employees' active contribution to a risk prevention culture. The key focus areas are to continuously improve our cyber security maturity, strengthen operational measures, and increase employee competence in cyber security and data protection risk prevention behaviour.

In 2021, cyber security maturity efforts were focused on strengthening risk management and governance. Mandatory cyber security training was also conducted in the year and we achieved a 100% completion rate.

We will continue to develop the maturity of our systems to keep up with regulatory updates as well as strengthen our defence based on experience over time.

GDPR

GDPR practices are managed through our internal network of personal data protection administrators. In 2021, an external review of GDPR compliance was conducted and quarterly internal reviews were implemented.

Two improvement areas were identified during the year related to documentation of local processing activities and recording data processing agreements with relevant vendors. Wilhelmsen group's global data protection officer processed 30 enquiries and incidents during the year.

CYBER SECURITY CAMPAIGN

	2021	2020	2019
Cyber security training completion rate for all employees	100%	99%	70%

Cases reported *	2021	2020	2019
GDPR	30%	30%	67%

* Wilhelmsen Group figures of GDPR enquiries recorded by data protection officer

Supply chain management

We are committed to doing business with responsible suppliers. We need to ensure our sustainability expectations are clear to suppliers and that products and services are compliant with our standards.

Wilhelmsen Ship Management works with suppliers who will comply with the International Marine Purchasing Association (IMPA) ACT Supplier Code of Conduct (SCoC). The SCoC seeks to improve the economic, social, and environmental sustainability of international shipping and marine industries and is aligned with the United Nations Guiding Principles on business and human rights.

We place clear responsibilities on suppliers to comply with minimum requirements on the following areas:

- Preventive measures of financial fraud
- Sanctions and compliance
- Quality management systems and accreditation
- Business ethics and code of conduct
- Supporting the UN Convention on the rights of the child
- Cybersecurity precautions
- Reduction in single use plastics

We vet and verify all applications from companies to become a supplier and retain all supporting documentation for future reference. Suppliers agree to be audited at any time and will be audited from time to time. All suppliers with framework agreements are required to re-submit their applications annually. Suppliers who do not meet the minimum standards will be removed from our approved supplier list.

During 2021, conducting physical audits of suppliers was not possible due to COVID, however we did conduct an annual review of our contracted suppliers in accordance with our ISAE 3402 procurement controls. This required the supplier to complete a self-assessment questionnaire which was then subject to review and follow up.



SUPPLIERS

	2021	2020	2019
Number of suppliers - approximate	2,712	2,686	2,701
Number of suppliers screened with sustainability criteria	852	600	644
Number of supplier audits including sustainability criteria	58	8	4

Memberships and association

During 2021, we actively contributed to collective action on ocean health, climate, decarbonisation of shipping, crew change crisis, anti-corruption, and marine pollution.

We are in regular dialogue with industry players through our membership platforms.

Sustainable Shipping Initiative



We are a member of The Sustainable Shipping Initiative (SSI) is a multi-stakeholder collective of ambitious and like-minded leaders, driving change through cross-sectoral collaboration to contribute to – and thrive in – a more sustainable maritime industry.

Maritime Anti-Corruption Network



We are a member of the Maritime Anti-Corruption Network (MACN). MACN is a global business network working towards the vision of a maritime industry free of corruption that enables fair trade to the benefit of society at large.

International Marine Purchasing Association



We are part of the council supporting IMPA's (International Marine Purchasing Association) initiative called IMPA SAVE. The initiative represents global shipowners and maritime suppliers as adopters of sustainable business practices aimed at conserving the world's oceans through the maritime supply chain.

Getting to Zero Coalition



We are one of the signatory of Getting To Zero coalition to acknowledge that an urgent and equitable decarbonization of the maritime supply chain by 2050 is possible and necessary, with urgent action to be taken immediately and over the coming decade.

Neptune Declaration



We are one of the signatories to The Neptune Declaration on Seafarer Wellbeing and Crew Change, we pledge to have a shared responsibility to ensure that the current crew change crisis is resolved as soon as possible and to use the learnings from the crisis as an opportunity to build a more resilient maritime supply chain.





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