

PEOPLE



ENVIRONMENT

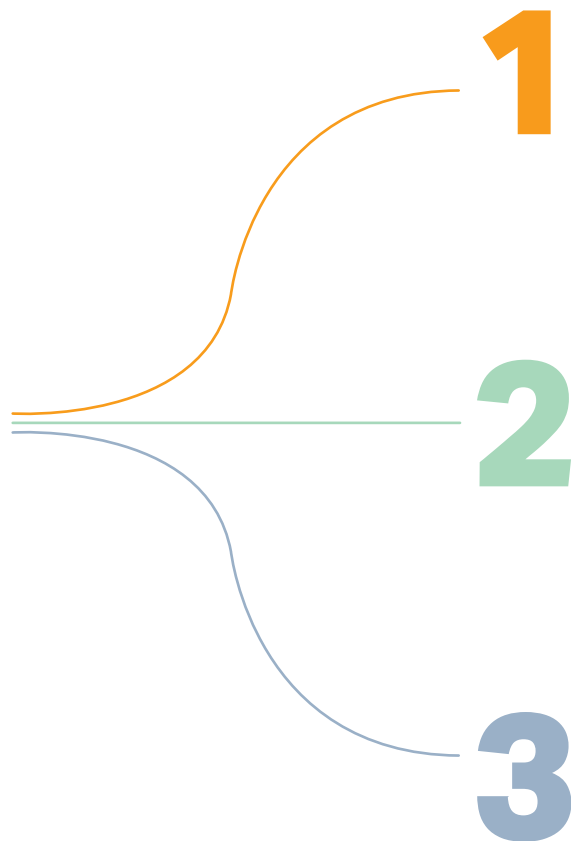


TRADE & CUSTOMERS



# Sustainability Report 2022

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# About This Report

The content of this report is defined by a materiality assessment conducted in 2022 and covers activities in the calendar year 2022.

Wilhelmsen Ship Management's report follows Wilhelmsen Group's strategic review in 2022 aligned with the UN Sustainable Development Goals (SDGs).

This is the fourth 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%)

## Setting the standard

We are committed to actively promoting an ethical culture where our employees are empowered to do the right things the right way. 2022 was the second consecutive year with a 100% completion rate for group-wide, mandatory business standards training.

## Positive partnership

In 2022, the Wilhelmsen group actively contributed to collective action on ocean health, decarbonisation of shipping, human rights, crew welfare, equity, diversity, and inclusion, anticorruption, and marine pollution.

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 into the group's long-term strategy.



# Message from Our CEO and President

The world in 2022 has changed as we emerged out from the pandemic and we are more determined than ever to focus on decarbonization and human rights.

As we gear up to achieve our 2030 goals, we actively embrace IMO Short-term measures while collaborating closely with our customers to support their net zero plans. Together, we can accelerate the positive impact we make on the world.

We recognize the importance of nurturing our seafarer's competencies in operating low or zero-emission bunker alternatives to achieve our goals. With cutting-edge training programs and the adoption of advanced technologies, we empower our seafarers to manage diverse vessel types skillfully. Investing in their continuous learning and development benefits them and enhances overall performance and efficiency.

We conduct business with respect for human rights with sound, safe working conditions free from discrimination. By championing equal opportunities and providing conducive conditions for growth, we ensure our employees thrive and reach their full potential. We commit to creating an environment where seafaring becomes a rewarding career choice, both onboard and ashore.

As ship managers, we advocate the right for good living conditions onboard. By prioritising the well-being of our seafarers and offering them a home away from home, we cultivate a culture of contentment that fuels exceptional vessel performance.

We carefully select partners who share our vision in our unwavering pursuit of sustainable business practices. Before entering any contractual relationship, we undertake stringent due diligence processes, ensuring that our allies align with our commitments to sustainability. Through these collaborations, we forge strong partnerships that drive sustainable trade and foster lasting change.

Our goal is to build a future that harmonizes economic growth, environmental stewardship, and social responsibility.

I hope you will find this report interesting and useful.

*Sincerely,*

**Carl Schou**  
President & CEO  
**Wilhelmsen Ship Management**



Wilhelmsen Ship Management (WSM) is a part of Wilhelmsen Maritime Services, a Wilh. Wilhelmsen Group company. WSM is one of the world's largest third-party ship manager with a portfolio of more than 450 vessels and 11,000 active seafarers. WSM provides technical and crew management services for various vessel segments: LNG/LPG; Ro-Ro and PCC/PCTC vessels; FPSO/FSO; Container; Cruise; Bulk; Seismic; and Offshore. WSM manages vessels from seven offices worldwide alongside a crewing network of 21 manning offices in 13 countries. Other key services include dry-docking services, layup services, newbuilding supervision and inspection services

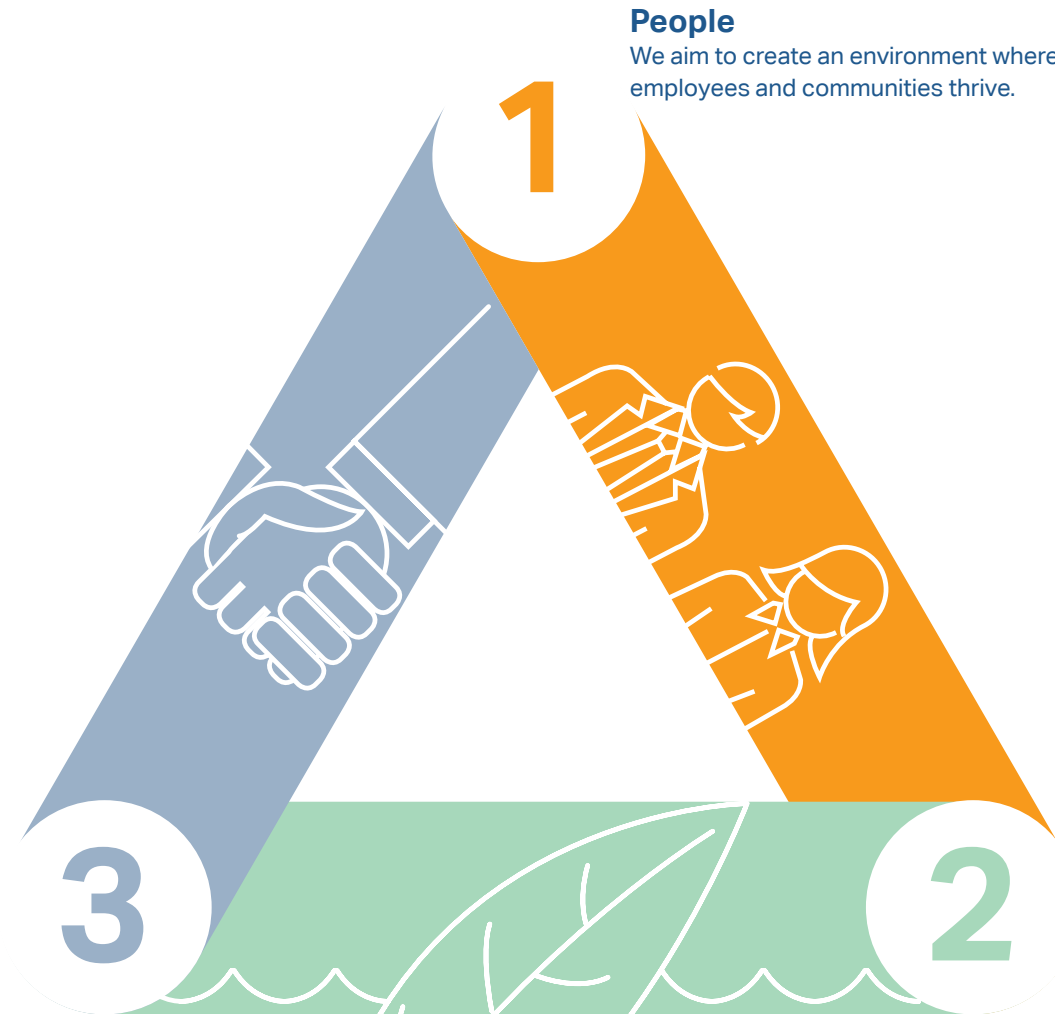


# Performance with Care

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.



## People

We aim to create an environment where employees and communities thrive.

## Trade & Customers

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

## Environment

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

# ESG

## Our key figures

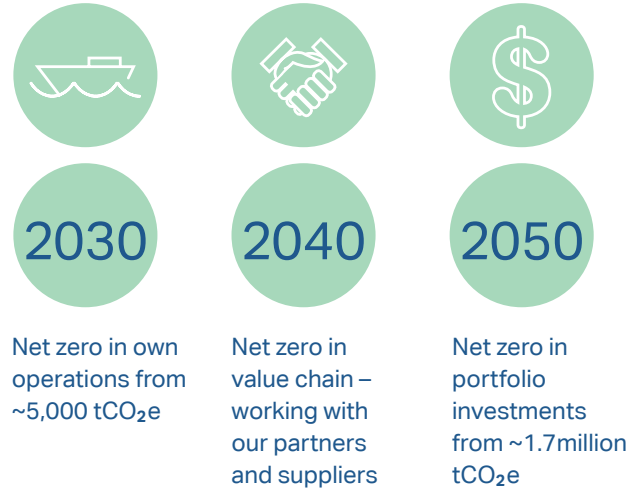
### People



**LTIF onboard**  
Result 2022: 0.22 Target 2022: < 0.40

**TRCF onboard**  
Result 2022: 1.58 Target 2022: < 2.80

### Environment



**Scope 1 -**  
Emission from sources that we own directly :  
3 tCO<sub>2</sub>e in 2022

**Scope 2 -**  
Indirect emission from the purchase of electricity :  
Location based: 189 tCO<sub>2</sub>e in 2022  
Market based: 233 tCO<sub>2</sub>e in 2022

**Scope 3 -**  
Indirect emissions - travelling  
Shore Staff : 2,241 tCO<sub>2</sub>e in 2022  
Seafarers : 26,505 tCO<sub>2</sub>e in 2022

### Trade & Customers



**Number of suppliers screen with sustainability criteria :**  
1,031

# ESG Ambition and Strategic Targets

Our commitment towards enabling a sustainable global trade



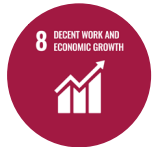
## PEOPLE

### Health & safety

Have an engaging and safe workplace with no harm to people

### Equity & diversity

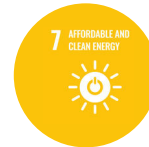
Have a culture where each employee is valued for their contribution



## ENVIRONMENT

### Decarbonization and green growth

Shape the maritime industry's transition towards net zero emissions and capitalize on green growth



## TRADE & CUSTOMERS

### Compliance and value chain management

Be a responsible, trusted and compliant value chain partner



### Strategic targets

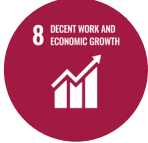
- LTIF not to exceed 0.40
- Engagement survey score >75
- 40% of each gender in top three management levels and internal boards by 2030





### Strategic targets

- Net zero emissions before:
- 2030 in own operations
  - 2040 in our complete value chain
  - 2050 in all our investments

### Strategic targets

- 100% employee completion of business standards training
- Stricter ESG standards in our supply chain

	ALIGNMENT WITH SDGS	MATERIAL TOPICS	TOPIC COVERAGE	OUR POSITION	OUR EFFORTS
PEOPLE		Equity, 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.
	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, especially in the seafaring community, which acts as 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	Impact of our activities and products on air, soil, and water.	We do not engage with activities that leads to mismanage use of ecosystem.	We aim to create awareness on activities that promotes diversity and protection of our ecosystem.
		Circular economy	Reduce, reuse and recycle to minimise resource use	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 that 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.

# Stakeholder Collaboration

We regularly engage with key stakeholders in the maritime industry. This dialogue helps us understand their expectations and communicate our decisions transparently.

We also collaborate with governments, NGOs, and other stakeholders on ship management topics. By working together with external partners, customers, and stakeholders, we stay at the forefront of industry developments.

We meet evolving stakeholder demands by:

- partnering with like-minded organizations, our customers, and the entire value chain to achieve a broader impact
- working through local and international associations to contribute to improved ESG practices
- implementing recognised and transparent international standards and proactively demonstrating our ESG work.

In 2022, stakeholder interests encompassed topics such as COVID-19, geopolitical risks, the war in Ukraine, human rights, finance, compliance, innovation, decarbonization, renewable energy, and ESG. We fostered active involvement with various stakeholders

by participating in multiple group memberships, such as the Green Shipping Program Norway, UN Global Compact, Maritime Anti-corruption Network (MACN), and Sustainable Shipping Initiative (SSI), among other notable organizations.

Throughout 2022, our group actively contributed to collective action on ocean health, decarbonization of shipping, human rights, crew welfare, equity, diversity, inclusion, anti-corruption, and marine pollution. We will continue to engage directly with stakeholders and through our membership platforms. We remain committed to active and collaborative stakeholder engagement as we strive towards a sustainable and responsible maritime industry.



EMPLOYEES

- Engagement, commitment, leadership, culture
- Climate, environmental impact
- Business ethics, working conditions, QHSSE, training
- KPI results and targets



INVESTORS

- ESG risks, opportunities and governance
- Results prospects
- Knowledge sharing
- Main business drivers



CUSTOMERS

- Climate, environmental protection, human rights, child labour
- Campaigns, plans
- Satisfaction, feedback
- Innovation, proper use, expertise advise



SUPPLIERS

- Climate, environmental protection, human rights, child labour
- Business ethics, compliance, governance, labour regulations and standards
- Working conditions, QHSSE, regulations



COMMUNITY

- Environmental protection, human rights
- Sustainability governance, transparency, values
- Education

KEY TOPICS

CHANNELS AND ACTIVITIES

- Intranet, management communication
- Engagement survey
- Performance appraisal
- Industrial democracy
- Code of conduct

- Annual and quarterly reports and presentations, capital markets day
- Press releases
- Investor meetings

- Customer meetings, regular dialogues
- Customers surveys
- Road shows and fairs

- Supplier code of conduct
- Procurement policies
- Suppliers assessments and audits

- Meetings and discussions with NGOs
- Membership organisations and associations
- Sponsorships
- Presentations and guest lectures



# Partnerships and Alliances

We understand the value of participating in industry networks and collaborating with other businesses and stakeholders. We aspire to generate positive change in our sector and the society at large by fostering collaboration, while also actively contributing to the establishment of regulatory standards.

## 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.

## Silk Alliance



We are one of the partners in the Silk Alliance, an alliance spearheaded by Lloyd' Register Decarbonization Hub that aims to develop a green corridor cluster within the Intra-Asia container trade. Collaborating with other alliance members, we are working on a fleet-specific fuel transition strategy for container ships in Singapore and across Asia. This fleet fuel transition strategy can enable the establishment of a highly scalable green corridor cluster.

## SIGTTO



We are a member of SIGTTO. SIGTTO is an international body established for the exchange of technical information and experience, between members of the industry, to enhance the safety and operational reliability of gas tankers and terminals.



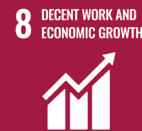
# People

We are committed to providing an engaging and safe working environment that offers equal opportunities for everyone.

Our focus is on attracting and retaining a diverse and skilled workforce, ensuring they possess the right expertise, experience, motivation, and talents.

Our employees are our greatest asset, and we actively pursue avenues to foster a workplace culture that embraces equal opportunity and diversity.

## 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).

# Equity, Diversity and Inclusion

The maritime industry has traditionally been male-dominated, and we acknowledge the importance of diversity. We embrace a zero-tolerance policy for harassment and discrimination, promote the value and respect for differences, and strive for a stable percentage of females within our organization.

We know that we can still do more to improve, 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 are dedicated to enhancing the diversity of our workforce, and we will continue to prioritize diversity criteria in our talent programs to achieve this goal.

## PROGRESS ON TARGETS

### 2022 Target

- Diversity included as strategic challenge and opportunity in group long-term strategy.
- Quarterly reviews of equity, diversity, and inclusion progress by HR executives, global mgmt. team, and board.
- Pilot unconscious bias training for human resource executives.
- Communication plan to increase internal awareness of equity, diversity, and inclusion.
- Assess opportunities to develop diversity and inclusion index based on existing engagement survey scores.

### 2022 Result

- Equity, diversity, and inclusion included in strategy and ownership requirements statement.
- Gender diversity included in quarterly ESG index and review.
- Unconscious bias training developed for Leadership Development Journey module in Q1 2023.
- Project team conducted study and made recommendations on Workplace arrangements.
- Maritime Diversity, Equity, and Inclusion (DEI) Lab competition to increase awareness and promote digital solutions.
- Specific score for fair, equal and inclusiveness perception included in engagement survey.

### 2023 Target

- Strengthen leadership accountability through unconscious bias and diversity management training.
- Implement workplace arrangements project recommendations. Develop transition plan towards 2030 ambition.
- Re-engineer the recruitment process with particular focus on EDI.

## KEY RISKS AND OPPORTUNITIES

### Key Opportunities

- High engagement score
- More diverse and inclusive workforce
- Attractive brand reputation

### Key Risks

- Human rights breaches in the value chain
- Fight for talent in key functions including seafarers
- Lack of competence



# Equity, Diversity and Inclusion

## Diversity

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

In 2022, 30% of senior management positions at Wilhelmsen Ship Management were held by women. We aim to have 40% gender representation in our top three levels of management and internal boards by 2030. This ambition has been approved by the group management team and endorsed by our board of directors.

We actively engage in various activities to achieve this goal, including:

- Re-engineering people processes
- Improving recruitment practices
- Ensuring fair salary and work conditions
- Providing promotion and development opportunities
- Conducting awareness-building initiatives
- Team-building activities
- Promoting work-life balance

Local HR teams are responsible for developing activities that cater to the needs of each location, supporting our overall ambition. In 2022, a project group from various functions studied workplace arrangements. Based on their recommendations, we will implement improvements in flexible working arrangements, workplace accessibility, workspace equity, diversity awareness, and private rooms starting in 2023.

In compliance with the Norwegian Equality and Anti-Discrimination Act, Wilhelmsen group conducted a gender pay gap analysis in 2021 for Wilhelmsen group 100% owned companies in Norway. The analysis revealed a 21% median pay gap, with females earning less than males. We have taken steps to improve data quality and incorporate the findings into our recruitment processes. This work will continue throughout 2023.

To ensure a diverse and sustainable leadership pipeline, we expanded our succession planning assessment in

2022, assessing 192 positions compared to 46 in the previous year. Among the assessed positions, 27% were held by females, and for 57% of the positions, two or three successor candidates were identified. This statistic demonstrates progress towards achieving our 40% gender representation goal by 2030, with 34% of the identified candidates being female.

Data for 2022 related to working conditions and the 2021 salary and variable pay reports are available in Appendix 3 of the [Wilhelmsen Group ESG Report](#).

### DIVERSITY - EMPLOYEES

	2022	2021	2020
Onshore	588	560	533
Number of nationalities	28	27	27
Females - % of employees	49%	47%	44%
Females - % senior management	30%	25%	25%



# Equity, Diversity and Inclusion

## Diversity onboard

The shipping industry remains predominantly male, with females comprising only 1% of our seafarer pool. To address this gender imbalance, we are actively working to increase female representation through our cadet program. In 2022, we proudly promoted our first Korean captain, Capt Lee Eu Ran, who joined Wilhelmsen Ship Management as a cadet in 2010.

Her success story exemplifies our commitment to fostering career growth for women in the industry. We are dedicated to enhancing our framework and support systems to enable more female officers to advance into senior positions. One crucial aspect of our efforts is creating opportunities for female seafarers to maintain their jobs while raising children.

### DIVERSITY – SEAFARERS

	2022	2021	2020
Seafarers	10,868	10,988	10,639
Females - % of seafarers	1%	1%	1%





# Equity, Diversity and Inclusion

## Employee engagement survey

At Wilhelmsen, we foster a safe and inclusive work culture where all employees have equal opportunities. We do not tolerate harassment and discrimination based on race, gender, or other grounds. To ensure a supportive environment, we conduct an annual engagement survey to gather feedback on discrimination, harassment, and inclusion, enabling us to address any issues effectively.

In the third quarter, we conducted this survey to assess the quality of our work environment. The survey results were consistently positive, indicating high levels of engagement among our employees.

As part of our continuous improvement process, senior management and individual managers in all locations were required to have discussions with their teams. In cases where the results fell below the expected benchmark, managers were responsible for implementing specific actions to address the areas of improvement identified.

In addition to the engagement survey, all employees undergo annual performance and mid-year reviews with their direct managers. These reviews provide opportunities to recognize achievements, discuss areas for development, and set targets for the upcoming period. Regular feedback and goal-setting contribute to the ongoing growth and success of our employees and the organization.

### ENGAGEMENT SURVEY AND PERFORMANCE APPRAISAL

RESPONSE RATE	2022	2021	2020
Engagement survey completion rate	96%	95%	89%
Engagement survey score	75%	79%	77%
Performance appraisal completion rate	97.8%	94%	95%





# Competence Development

At Wilhelmsen Ship Management, we envision shaping the maritime industry through our core values of learning, innovation, and teamwork. To achieve this, we prioritise staying relevant and equipping ourselves with the necessary skills to create business value now and in the future.

## Our approach

Our approach to learning is simple: learn, apply, and share. We maximise our impact on the business by continuously acquiring new knowledge, using it in our work, and sharing insights with colleagues. A learning organisation with motivated employees enhances operational efficiency and positively influences revenue and earnings.

Personal development plans are integrated into our performance appraisal and review processes. In 2022, employees were encouraged to dedicate at least eight hours to training, complementing formal and mandatory training initiatives. We foster a continuous learning and improvement culture where knowledge sharing is highly encouraged. We believe in the potential for growth in each individual and are committed to providing resources for their success.

## Onboard

Training and competence development are essential for our seafarers at Wilhelmsen Ship Management. Throughout the year, our seafarers undergo extensive and ongoing training to comply with regulations and best practices. Our focus is on authentic certifications and the acquisition of essential competencies, rather than solely tracking training hours.

We recognise that learning is a lifelong journey, especially in an industry that faces evolving regulations and technological advancements. Our seafarers embrace a mindset of continuous learning as they progress in their careers with us. To enhance their learning experience, we are improving our learning platform to offer interactive and effective training modules that translate theoretical concepts into practical knowledge and skills.

We also strive to make training more accessible. In addition to onsite training, we have developed online modules to ensure our seafarers can access quality training materials remotely. By lowering the barriers to training, we encourage our seafarers to embark on a continuous learning journey and stay abreast of industry developments.

## Leadership development

Our comprehensive leadership development journey includes tailored learning modules for all leaders within the Wilhelmsen group. In 2022, the focus was on change leadership, and in 2023, it will shift to equity, diversity, and inclusion.

Through continuous learning, leadership development, and fostering an inclusive culture, we are dedicated to shaping the maritime industry and creating an inspiring work environment where employees can thrive.



# Occupational Health and Safety

We take pride in providing an engaging and secure workplace environment. Our primary objective is to achieve zero work-related fatalities and prevent harm to our employees. To achieve this, we continuously improve our health and safety management systems and promote responsible employee conduct.

In conducting our business operations, we strictly adhere to local labour standards and uphold internationally recognized human rights, as described in the UN Global Compact, which our group subscribes to. In addition, we are compliant with the Maritime Labour Convention (MLC) and ensure that all seafarers' contracts align with local Collective Bargaining Agreements (CBAs) and the standards set by the International Transport Workers' Federation (ITF).

We have established a comprehensive Health, Safety, Environment, and Quality (HSEQ) system a safe working environment. We operate our managed fleet as per the ISM code.

In 2022, our group accumulated approximately 37.2 million exposure hours, with vessel-based operations accounting for 97% and onshore operations accounting for 3%. There were no work-related fatalities during this period.



METRICS	2022	2021	2020
<b>ONSHORE</b> (exposure 8 hours a day, 5 days a week)			
Exposure hours	1,162,903	1,112,260	1,060,249
Lost time injury frequency rate*	0**	0**	0**
Total recordable case frequency rate	0**	0**	0**
Sickness absence	1.48%	1.3%	1.1%
<b>SEAFARERS ON VESSELS</b> (exposure 24 hours a day, 7 days a week)			
Exposure hours	36,115,632	34,001,856	35,570,856
Lost time injury frequency rate*	0.22	0.35	0.28
Total recordable case frequency rate	1.58	1.26	1.4
Sickness absence	0.02%	0.02%	0.01%

\* Lost time injury frequency rate calculation based on factor of 200,000 manhours for onshore (exposure 8 hours 5 days) and 1,000,000 manhours for seafarers (exposure 24 hours 7 days).

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

## PROGRESS ON TARGETS

Targets 2022	Result 2022	Target 2023
<b>Lost time injury frequency (LTIF) rate</b>		
Onshore not to exceed 0.40	0	not to exceed 0.40
On vessels not to exceed 0.40	0.22	not to exceed 0.40
<b>Total recordable case frequency (TRCF)</b>		
Onshore not to exceed 1.00	0	not to exceed 1.00
On vessels not to exceed 2.80	1.58	not to exceed 2.80
<b>Engagement survey score &gt;75</b>	75	Greater than 75



# Occupational Health and Safety

## Crew Change Crisis

In 2022, dramatic improvement was made in the crew change situation, leading to improved operations.

While some challenges remained, overall, crew change operations became more manageable.

We conducted dedicated campaigns throughout the year to address COVID-19 measures and our seafarers' mental health and well-being.

Crew changes were carried out whenever feasible, following international and local guidelines and whenever risk mitigation conditions were met. Our management remained actively involved in facilitating our seafarers' safe and smooth movement to and from their workplaces.

## Safety driven culture

The safety of our seafarers is paramount to us. We have intensified our efforts to enhance the dissemination of safety messages both onboard and onshore through the measures below:

- Conducted an internal safety survey to identify gaps and implement initiatives.
- Fostered a culture of collaboration between onshore and onboard personnel.
- Implemented Shell's Maritime Partners in Safety (PiS) program in most fleet.
- Established Just Culture onboard and onshore.
- Emphasized safety messages through management visits and meetings with seafarers.



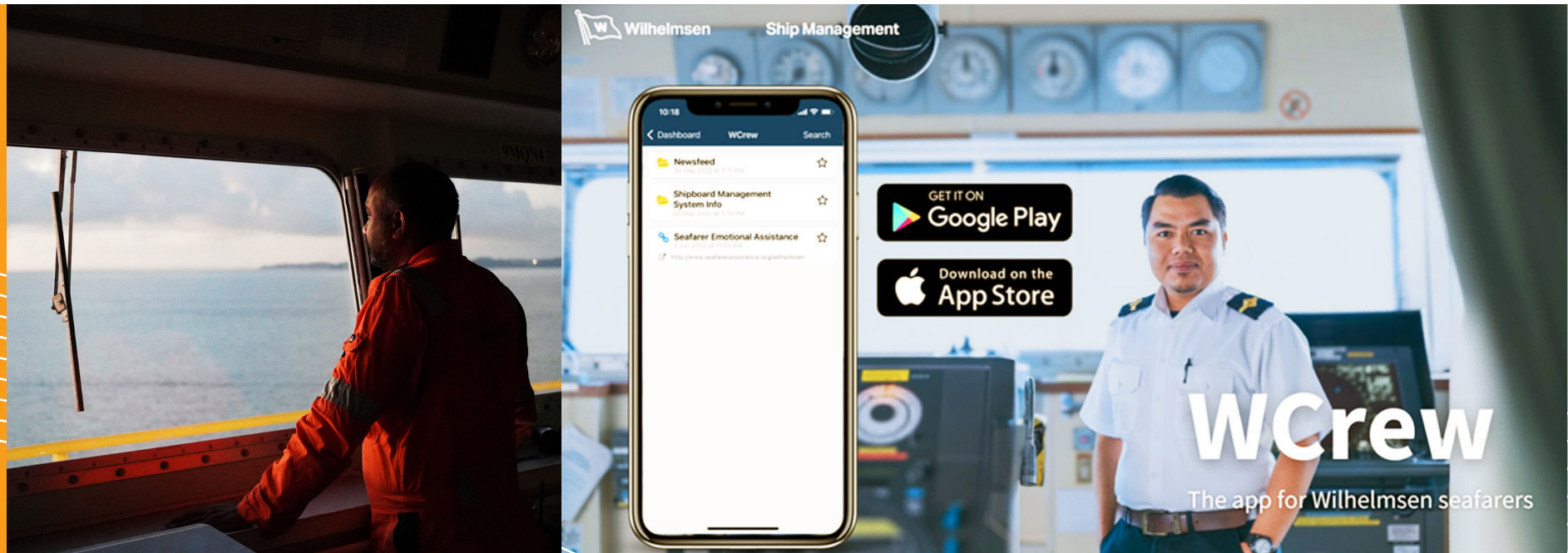
# Occupational Health and Safety

## Safeguarding our employees' and seafarer's wellbeing

Throughout 2022, we implemented various ongoing initiatives to prioritise the well-being of our employees. These initiatives centred around physical and mental health and safety, providing access to an online wellness hub and opportunities for personal growth.

To support our seafarers, we introduced ISWAN (International Seafarers' Welfare and Assistance Network) as a resource, ensuring assistance and support for them and their families whenever needed. We also conducted health awareness campaigns and online seminars to promote overall well-being. In addition, recognising the unique challenges faced in an onboard environment, we developed a dedicated mobile health and wellness app during the year, to be launched in 2023.

To foster stronger connections and camaraderie between seafarers and onshore employees, we launched a seafarer intranet mobile application called WCrew. This application aims to facilitate closer collaboration and bonding among all workforce members. It provides access to company news, updates, and activities, with three available modules: Newsfeed, Shipboard Management System Information, and Seafarer Emotional Assistance.





# Human Rights and Employment Conditions

We are committed to being a role model in our industry and society, upholding the highest ethical standards. In 2022, we published our Human Rights commitment, which was developed and approved by top management and the board.

We prioritize respecting universal human and labour rights. Regardless of the countries we operate in, we ensure human rights are protected throughout our businesses, and we expect the same from our entities and supply chain partners.

We support internationally recognized frameworks like the UN Universal Declaration of Human Rights and the International Labor Standards. We strictly prohibit modern slavery, including human trafficking, forced labour, exploitative conditions, slavery, and child labour.

As a global organization, we acknowledge our impact on stakeholders' human rights. When local laws conflict with international standards, we uphold internationally recognized human rights principles while respecting local regulations. We continuously assess and mitigate negative impacts while enhancing positive ones.

Our commitment is implemented through a rigorous due diligence guided by the United Nations Global Compact, Guiding Principles on Business and Human Rights, and OECD Guidelines. We assess, integrate findings, monitor progress, track responses, and communicate our actions.

In 2022, Wilhelmsen group conducted an initial due diligence, identifying and prioritizing measures to prevent or mitigate impacts. Additional assessments were conducted for specific countries and stakeholders.

Key human rights areas of focus include:

- Providing safe and healthy working conditions.
- Fair treatment of our workforce.
- Promoting decent employment conditions.
- Opposing modern slavery.
- Respecting employees' rights to join trade unions.
- Safeguarding personal privacy.

We support employee development through career management, evaluations, and training initiatives. Compliance with this commitment is expected from all entities and employees.

In 2022, we raised internal awareness about the Norwegian Transparency Act and will release a training package in 2023. We expect suppliers to comply and seek partnerships with like-minded organizations. A new Supplier Code of Conduct will be rolled out in 2023.

Ongoing due diligence is conducted within the entities of Wilhelmsen group to address actual or potential adverse impacts involving us or our suppliers. Stakeholders can report concerns through our whistleblower channel. In 2022, Wilhelmsen group received five reports addressing issues such as discrimination, working conditions, harassment, and safety. Actions were taken, including rectifying a lack of rest hours through additional staff.

If we directly cause or contribute to harmful human rights impacts, we are committed to promoting access to fair remediation. However, no cases required remediation in 2022. Stakeholders can request information about our human rights impacts via email at [humanrights@wilhelmsen.com](mailto:humanrights@wilhelmsen.com). In 2022, we responded to two such requests promptly and comprehensively.

Effective July 1, 2022, the Norwegian Transparency Act mandates due diligence, disclosure statements, and information provision on addressing negative human rights and working conditions. Appendix 4 of the [Wilhelmsen Group ESG Report](#) provides our human rights due diligence in compliance with the act.



# No Recruitment Fees

We uphold the principle that no seafarer should be required to pay for a job. Our commitment to valuing seafarers and respecting their human rights is reflected in our adherence to the International Labour Organization (ILO) Maritime Labour Convention (MLC 2006) requirements.

In 2022, we launched campaigns to reinforce the message of “No recruitment fee” across all our in-house manning offices. In addition, prominently displayed posters and job advertisements, even on websites, emphasise this principle.

As representatives of ship owners, we collaborate with internal and external manning agents for crew recruitment. Throughout the recruitment process, we strictly prohibit any form of payment or gift from seafarers as recruitment or placement fees or for any related costs. In addition, our manning agents are guided by our code of conduct and are expected to comply with all applicable national and international laws and regulations pertaining to recruitment practices.

To further ensure compliance, we have implemented a whistleblowing channel designed to address non-compliance issues in the recruitment process. Seafarers undergoing recruitment procedures with our appointed manning agents can file complaints or report any circumstances suggesting violations through this channel.





## Collective Action for Seafarer's Rights

Wilhelmsen Ship Management is actively involved with other members of the Sustainable Shipping Initiative (SSI) in applying the Code of Conduct and assessment tool. This collaborative effort aims to protect the human rights and welfare of the approximately two million seafarers worldwide.

The Code of Conduct seeks to:

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

Our goal is to go beyond the minimum compliance requirements and improve the treatment of seafarers in the industry. To actively promote the Code of Conduct, we participated in Roundtable discussions to raise awareness about its importance. Through these discussions, we strive to increase awareness and encourage widespread adoption of the Code of Conduct across the industry.

## Rightship - Self Assessment Test

Rightship's launch of a self-assessment tool, in conjunction with the Code of Conduct, provides practical guidance for shipowners, operators, charterers, and cargo owners to evaluate their current operations in terms of meeting seafarers' rights and welfare obligations.

By utilizing the Code of Conduct and self-assessment, the industry will have a platform to uphold worker dignity and advance overall progress.

All the Document of Compliance (DOC) holders of Wilhelmsen Ship Management have completed the assessment.

While we acknowledge that there is always room for improvement, we are committed to tracking our progress throughout 2023.

**RIGHTSHIP**



**CREW WELFARE**

Self-Assessed, Wilhelmsen Ship Management Sdn Bhd



# Local Communities

## Our corporate philosophy

We are dedicated to supporting social sustainability and inclusion in the communities where we operate. As a responsible employer, we believe in giving back to society.

We collaborate with local non-profit organizations to reach marginalized and vulnerable communities. We aim to create communities that provide equal opportunities for everyone to thrive and contribute to human capital wealth. Through various activities, we inspire children to dream big, explore the world beyond their boundaries, and raise awareness about seafaring as a profession.

We recognize that not all children have equal opportunities to pursue their dreams and participate in societal norms due to significant barriers. By promoting social inclusion in the maritime industry, we aim to create a more equitable society. Our guiding principle is to "Leave No One Behind."

We strive to positively impact the countries where we operate, both through our employees and seafarers. Part of our social responsibility is contributing to educational opportunities that lead to employment, empowering individuals and fostering sustainable development.

## Wilhelmsen Seafarer Family Club

In 2022, we introduced the Wilhelmsen Seafarer Family Club to engage our seafarers and their family members in giving back to local communities, particularly in India and the Philippines. The club is open to all Wilhelmsen seafarers and their families, providing a platform for collective action.

The club's activities are driven by its members, who spearhead initiatives to support underprivileged children and communities in the areas where our largest seafaring community originates from.

Throughout the year, the club focused on making a positive difference in these communities, contributing to their well-being and development.



Wilhelmsen Ship Management

# WILHELMSSEN SEAFARER FAMILY CLUB

*The family club that cares and wants to make a difference*

WE ARE LOOKING FOR  
VOLUNTEERS TO JOIN OUR CLUB

Got a strong passion to help? Self Starter and motivated to change someone's life? Are you a family member of our seafarer?  
Join now!



# Local Communities

## Communities we worked with

### INDIA

- **Snehasadan** – we sponsored the upgrading renovation cost for Snehasadan House no.7 which has been providing shelter to homeless children since 1967 and is in dire need of upgrading its facilities to a modern home.
- **HOPE foundation** – we made a donation towards Asharan Orphanage for building renovation and purchase of necessities to aid children in the Literacy Program for the Unschooled in Karkardooma.
- **Angel Xpress Foundation** – we sponsored a learning centre in Dadar, a densely populated residential neighbourhood in Mumbai. The learning centre provides value-based sessions to improve self-esteem and self-confidence for slum-dwelling children there.



### PHILIPPINES

- **Bahai Yaman** – we sponsored the renovation of a culinary room at Bahay at Yaman ni San Martin De Porres Inc, a local shelter for children. The room is equipped as a functional kitchen, providing culinary training opportunities for them.

### KOREA

- **Briquette project** – we organized a traditional Korean activity to share briquettes with the elderly in Mae-Chuk-Ji Village. We purchased 5000 briquettes and distributed them on foot to each household in the village. The effort brought smiles to the faces of the elderly.





# Local Communities

## Supporting our Ukrainian seafarers

In 2022, the Wilhelmsen group dedicated our entire Do Good funding to supporting our Ukrainian seafarers affected by the war in Ukraine. In addition, we provided temporary financial aid to selected seafarers to alleviate some of the difficulties they faced, mainly due to the significant increase in food prices and essential supplies in Ukraine.

Furthermore, we raised funds and matched donations to offer administrative support to Ukrainian seafarers, including assistance with transportation, housing, and bank account registration. Additionally, we allocated a portion of the funds to cover the operating costs of a Ukrainian school in Romania. Established by a team of Ukrainian teachers in Constanza in April 2022, this school aims to provide a stable and near-normal environment for Ukrainian children who are in transition or seeking temporary refuge in Romania. The school is also open for the children of our Ukrainian seafarers and employees to attend, ensuring their access to education during this period.







# Environment

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, green growth, and decarbonisation.

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).

# Climate Change and Greenhouse Gas (GHG) Emissions

Addressing climate change and associated physical and transition risks for the group requires investments, operations, products, and solutions with lower or no GHG emissions. We continue to develop and mature a systematic approach to climate risk identification, including firm estimates of future costs and income prospects for new opportunities.

## GHG emissions ambition

The Wilhelmsen group's long-term GHG emissions ambition is embedded in the long-term strategy, and the strategies of the consolidated entities:

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

Our management of climate risk and GHG emissions are described in Appendix 2 of [Wilhelmsen Group ESG Report](#) based on the Task Force on Climate-related Financial Disclosures (TCFD) framework.

Our group has set ambitious targets for reducing greenhouse gas emissions. Based on the Science-Based Targets initiative (SBTi) guidance, we aim for a 42% reduction in Scope 1 emissions by 2030 and 80% renewable electricity by 2025, reaching 100% by 2030 for Scope 2 emissions. In 2022, 38% of our total electricity consumption came from renewable sources, and with a purchasing agreement for our Lysaker office, approximately 46% of our consumption will be renewable. However, the procurement of renewable electricity for other offices will depend on local energy infrastructure and regulations, and we will develop a plan for this in 2023.

## Our progress

We have made significant progress in GHG emissions reporting and activities. Building a robust GHG inventory across our diverse operations requires resources and effort. In 2022, we focused on improving our competence in GHG emissions, adhering to the GHG Protocol Corporate Standard, defining clear roles and responsibilities, and acquiring better tools. We implemented a new system to enhance transparency and integrity in reporting, enabling us to set and monitor annual targets and assess the impact of reduction measures.

An analysis of historical GHG data and reporting processes was conducted, leading to improved accuracy and completeness in our GHG dashboard. Accounting for office sites poses challenges as we often work in leased spaces with limited operational control. In 2022, we approximated data for sites with less than 20 employees to improve data completeness. As our organization matures and data integrity improves, we will continue to expand the scope of our GHG inventory, including scope 3 emissions.





# Climate Change and Greenhouse Gas (GHG) Emissions

## PROGRESS ON TARGETS



### 2022 Target

Consolidated companies establish science-based targets and reduction program.

GHG Inventory verified for 2022 report.

### 2022 Result

The group set a minimum target to consolidated companies based on the Science-Based Targets initiative (SBTi) guidance of 42% reduction of Scope 1 emissions by 2030, and 80% renewable electricity by 2025 and 100% by 2030 for Scope 2 emissions.

2022 was selected as base year for scope 1 and scope 2 GHG emissions.

Consolidated companies focused on GHG emissions data integrity and completeness.

A new reporting software was acquired for GHG emissions reporting and monitoring progress against targets.

3rd party verification completed for 2022 GHG emissions inventory.

### 2023 Target

5.25% reduction in tCO2e emissions in own operations from 2022 base year.

Continued investments in green growth.

Introduce consolidated companies to scope 3 emissions reporting.

Target key suppliers to participate in scope 3 emissions reporting.

Use the SBTi guidance to establish targets and reduction program for scope 3 emissions.

Continuously improve accuracy and completeness of GHG emissions reporting.

Complete 3rd party GHG emissions inventory verification annually.

Improve visibility and integrity of data with vendors related to waste streams.

Progress circular initiatives

Waste stream visibility continues to be challenging. Sites report available data related to consumption or waste.

Several product level initiatives have been progressed related to chemicals, ropes, and port waste stream visibility

Improve visibility and integrity of data with vendors related to waste streams.

Progress circular initiatives.

Establish a circularity framework for the group to direct activities across our entities.

New

Create awareness on biodiversity issues and map potential areas for biodiversity focus.

# Climate Change and Greenhouse Gas (GHG) Emissions

## GHG inventory

In 2022, we improved our data collection, completeness, and reporting methods, resulting in the restatement of previously reported data for 2020 and 2021.

To ensure the accuracy and reliability of our inventory data, we engaged DNV, a third-party assurance provider, to conduct a verification at the end of 2022. As a result, DNV issued a statement of limited assurance, confirming the reliability of our 2022 inventory data.

Based on our experience in reporting and validating our GHG inventory, we have chosen 2022 as our base year for setting targets and reporting emissions reductions.

### Scope 1 and 2 emissions

The Scope 1 and 2 emissions in tonnes of CO2 equivalent (tCO<sub>2</sub>e) from consolidated entities are described below:

YEAR	TCO <sub>2</sub> E		
	Scope 1	Scope 2	Total
2020	0	50	50
2021	0	67	67
2022	3	Location based: 189 Market based: 233	Location based: 192 Market based: 236

### Scope 3 emissions

The Wilhelmsen group has included four categories of scope 3 emissions in the GHG inventory - category 5 waste generated in operations, category 6 business travel, category 7 employee commuting for seafarers, and category 15 investments.

Scope 3 emissions are mainly related to air travel for seafarers commuting to/from vessels. Travel plan optimization is key to secure seafarers joining vessels and returning home in a safe, secure, and efficient manner.

YEAR	TCO <sub>2</sub> E
2020	16,975
2021	34,900
2022	27,581



## DNV VERIFICATION STATEMENT

Statement no: 2023-0256 Valid from: March 15, 2023 Valid to: N/A

### Wilh. Wilhelmsen Holding ASA

#### Verification of the Scope 1, Scope 2, and selected Scope 3 categories GHG emission footprint for 2022 year for Wilh. Wilhelmsen Holding ASA

DNV Business Assurance Norway AS (DNA) was commissioned by Wilh. Wilhelmsen Holding ASA (Wilhelmsen) to provide limited assurance on the information described below for the year ended 31 December 2022.

The purpose of this document is to clarify matters set out in the process of verifying CO<sub>2</sub> emissions for Wilhelmsen's operations. We do not accept or assume any responsibility or liability on our part to any party who may have access to this letter or related documents.

- Boundaries of the reporting:** companies covered by the assurance report and any known exclusions.
  - The scope of our work was limited to assurance over the 2022 GHG emission figures for Wilhelmsen:
    - Scope 1 CO<sub>2</sub> emissions
    - Scope 2 CO<sub>2</sub> emissions
    - Selected Scope 3 CO<sub>2</sub> emissions
- Emissions data verified:** broken down by scope 1, scope 2 and scope 3 categories with figures given; option to include other relevant data that has been verified with figures.
 

The GHG aggregated emissions data for Wilhelmsen (Selected Information) is presented in the table below representing the cumulative emissions for each Scope category from the following Wilhelmsen entities:

  - Wilh. Wilhelmsen Holding ASA
  - Wilhelmsen Insurance Services
  - Wilhelmsen Chemicals
  - Norsea Group
  - Global Business Service
  - Wilhelmsen Ships Service
  - Wilhelmsen Port Services
  - Wilhelmsen Ship Management

Scopes [CO <sub>2</sub> -eq]	2022
Scope 1: Total CO <sub>2</sub> -eq Scope 1 emissions	4 153
Scope 2: Total CO <sub>2</sub> -eq Scope 2 emissions (location based):	1 896
Scope 2: Total CO <sub>2</sub> -eq Scope 2 emissions (market based):	6 183
Scope 3: CO <sub>2</sub> -eq Scope 3 emissions	28 678

- Other emissions have not been part of the verification scope and hence have not been verified by DNV.
- Period included in the verification:** 01 January 2022 to 31 December 2022.
  - Verification standard used:** ISO 14064-3:2019
  - Assurance opinion (incl. level of assurance and any qualifications):** Level of assurance: Limited

DNV Business Assurance Norway AS, Veritetsveien 1, 1363 Høvik, Norway

## DNV

The verification was conducted between 9<sup>th</sup> January 2023 and 6<sup>th</sup> March 2023, during which Wilh. Wilhelmsen ASA provided its GHG calculations in "9 3 GHG data 2020 to 2022 extracted on 17 January - unprotected sheet 09.02.2023.xlsx" and "ESG Dashboard ALL.xlsx".

- DNV has performed the verification with the following approach:
- A review of the consolidation process
  - Review of procedures for collection of activity data and emissions factors and calculations including routines for data quality management
  - Review of calculation methods and emission source references in:
    - "9 3 GHG data 2020 to 2022 extracted on 17 January - unprotected sheet 09.02.2023.xlsx" and "ESG Dashboard ALL.xlsx"
    - Position Green GHG Reporting Tool
    - Power BI GHG Reporting Tool
  - Interviews with key personnel through calls (BMS Teams) for selected business areas: Wilh. Wilhelmsen Holding ASA, Norsea Group, Wilhelmsen Chemicals and Wilhelmsen Ships Service
  - Closing out reported non-compliances and clarifications

Based on the procedures DNV has performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2022 has not been prepared, in all material respects, in accordance with the Reporting Criteria. This conclusion is to be read in the context of what we say in the remainder of our report.

- Verification provider and any relevant accreditations:** DNV Business Assurance Norway AS
- Lead verifier name and any relevant accreditations/professional membership:**

Lead verifier: Sam Dresner Barnes  
Technical Reviewer: Edwin Alders

Place and date: Høvik, March 15, 2023  
DNV Business Assurance Norway AS

Sam Dresner Barnes  
Lead verifier

Aalders Digitally signed  
by Aalders, Edwin  
Date: 2023.03.15  
10:58:42 +01'00'

Edwin Alders  
Technical Reviewer

# Green Growth and Decarbonization

The Wilhelmsen group is fully dedicated to driving green growth and decarbonisation within the maritime industry. Our primary goal is to enable the transition to clean energy, foster renewable technologies, and continuously improve our product and service offerings to minimize our environmental impact.

## Investments into the future

In 2022, we made significant investments of USD 120 million through our New Energy segment. We directed these investments towards entities involved in renewable energy and energy transition sectors through our ventures and in collaboration with strategic partners.

To strengthen our position in key areas of Norway's offshore industry and future renewable energy endeavours, we increased our shareholding in NorSea from 75% to 99%. This move allows us to take an active role in the value chains where NorSea owns and operates bases, supporting Norway's ambitious activities in the offshore sector. Together with NorSea, we are working hand in hand to maximize our involvement in these value chains.

Through NorSea, we have made significant progress in several offshore wind projects. Our alliance with Belgian company Parkwind, known as Ventyr, advanced towards the tendering process for licenses to operate offshore wind parks on the Norwegian continental shelf. Furthermore, our pioneering industrial plant for assembling offshore windmills, Windworks Jelsa, gained additional political support. Unfortunately, our joint venture NorSea Wind, responsible for the technical management of offshore substations for TenneT, did not secure a contract extension, leading to its termination in 2023. On a positive note, our subsidiary, Elevon, specializing in windmill logistics, successfully managed three onshore wind projects in Sweden, ensuring a fruitful year for our business.

## New Partnerships with serious actors

Across all our entities, we remained committed to exploring various aspects of the value chain related to alternative fuels for marine applications, both in Norway and internationally. One notable achievement was the contract signed by Topeka, in collaboration with MPC Container Ships ASA and MPC Capital AG, to construct two 1,300 TEU carbon-neutral container vessels. These vessels, expected to be delivered in 2024, will immediately begin long-term contracts with the North Sea Container Line.

In line with our focus on zero-emission transport, our joint venture company Massterly continued to partner with industry leaders to facilitate the shift from road to sea transportation, particularly on autonomous logistics chains. We celebrated the delivery of two battery-powered vessels for Norwegian food wholesaler ASKO, which now traverse the Oslo fjord, and we anticipate their full autonomous operation in the coming years. Additionally, Massterly, in collaboration with DB Schenker, announced plans for a zero-emission autonomous coastal feeder for Norwegian furniture company Ekornes ASA.





# Green Growth in New Areas

Innovation remained at the core of our operations in 2022. Raa Labs continued their invaluable work by offering vessel data as a service, enabling onshore digital dashboards to monitor engine performance, leading to enhanced efficiency and reduced emissions. We also witnessed significant developments in our subsidiary companies. For example, Edda Wind ASA, responsible for operating service vessels during the commissioning and operation of offshore wind parks, took delivery of the Commissioning Service Operation Vessel (CSOV) Edda Breeze in 2022. This purpose-built vessel is the first of several new offshore wind service vessels designed for emission-free operations.

We also made strategic investments in 2022, acquiring a 21% stake in Reach Subsea ASA, a company that offers subsea services as a subcontractor to energy clients. Reach Subsea signed contracts amounting to just above USD 20 million in Brazil in 2022, marking the first step into the Brazilian market. Arctic biotech company Polar Algae, a NorSea subsidiary, also built a new seaweed harvesting vessel in 2022 and began building their dryer facility, funded by investors and research grants. Polar Algae harvests seaweed, a bioactive component with multiple commercial usage areas, and is highly nutritious, a source of protein, fibre, antioxidants, and minerals.

As we move into 2023, our group remains committed to progressing our investments, projects, and other innovations in line with our strategic objectives.

## KEY RISKS AND OPPORTUNITIES

### Key Opportunities

- Green growth in new arenas.
- New partnerships with other serious actors.
- Access to capital from environmentally conscious actors, both public and private.

### Key Risks

- Physical risks from extreme weather, rising water levels, and resource scarcity/cost.
- Transition risks related to regulations, potential liability, technology shift, market shifts and reputational impact.



# Preparing for a Multi-Fuel Future

## Newbuilding supervision

As part of our commitment to supporting our customers' net-zero goals, we actively participate in their newbuilding programs, particularly for ships that run on alternative fuels. Design for these ships differs from conventional ships in many aspects, such as:

- Technical specifications that maximise energy efficiency
- Optimized design philosophy for the bunker containment system
- Ship design aspects relative to safety and risk assessment

We are enhancing our competence in this area through projects like the methanol-ready and methanol-powered container vessels secured from MPC. With our expertise and available resources, we are well-positioned to oversee newbuilding projects for ships operating on alternative fuels on behalf of our owners. Since we are involved from the initial stages of our clients' shipbuilding processes, we can provide valuable input based on our experience gained through our engagement in projects such as Yara Birkeland, Topeka, and ASKO.

This experience is an invaluable roadmap for our customers striving to achieve their net-zero goals.

## Crew competence for alternative fuel vessels

Ensuring the competence of seafarers to operate ships powered by new technologies is crucial. Successfully integrating these technologies requires advancements in fuel and technology and the adaptation of human behaviours and processes to address any potential safety concerns related to handling the new bunker.

Recognizing this need, we are committed to developing seafarers' competence in parallel with the advancements in fuel and technology. While there hasn't been any clear framework for such competence, we have been proactively sending our seafarers for IGF Basic training to ensure we have adequate resources to meet dual fuel vessels crewing demand. As a result, as of 2022, we are proud to have more than 150 IGF-certified crew members, demonstrating our commitment to ensuring a competent workforce capable of safely operating these new technologies.

## Partner in Silk Alliance green corridor

We are one of the partners in the Silk Alliance, an alliance lead by Lloyd Register Decarbonization Hub that aims to develop a green corridor cluster within the Intra-Asia container trade. Collaborating with other alliance members, we are working on a fleet-specific fuel transition strategy for container ships in Singapore and across Asia. This fleet fuel transition strategy can enable the establishment of a highly scalable green corridor cluster.





# Biodiversity, Ecosystems, and Circular Economy

At Wilhelmsen Ship Management, we recognise the importance of biodiversity, ecosystems, and the circular economy in ensuring a sustainable future. We understand that overuse or mismanagement of ecosystems can have severe consequences, including contamination, ecological devastation, economic disruption, and impacts on human health. Therefore, we are committed to minimising resource use and reducing the impact of our activities and products on the air, soil, and water.

As a provider of complete technical management, crewing, and related services for various vessel types, we are crucial in influencing compliant, sensible, safe, and environmentally sound operations for vessel owners. We collaborate with our customers to optimise vessel and voyage operations to reduce operational costs and emissions. To achieve this, we offer purpose-built digital solutions like Spark, which enable efficient and eco-friendly operations.

Onboard our vessels, we adhere to environmental management practices that comply with international conventions such as the Convention for Prevention of Marine Pollution (MARPOL), the Ballast Water Management Convention (BWMC), and the International Convention on Oil Pollution Preparedness (OPRC).

We actively promote responsible consumption and recycling programs both onboard and onshore. In our commitment to reducing plastics, we have implemented requirements for suppliers and support industry initiatives to minimise single-use plastics in the maritime sector. As part of this effort, we have committed to the first milestone of the IMPA SAVE program, which aims to eliminate plastic drinking water bottles by 2025.

Furthermore, we assist our customers in adapting to stricter emissions regulations, such as the Energy Efficiency Design Index for existing ships (EEXI) and the Carbon Intensity Indicator (CII) that came into effect on January 1, 2023.

We actively collaborate with relevant partners to drive the decarbonisation of shipping. We focus on developing and transitioning to alternative fuels, including hydrogen, ammonia, and methanol, to reduce the industry's carbon footprint and contribute to a greener maritime sector.

In 2022, our management centre in Kuala Lumpur received the Green Award certification. The certification is awarded based on an assessment of our management system, operational policies and sample compliance are found to be in line with quality, and safety standards and focus on environmental performance.

With the Green Award certification, we have access to various financial incentives to encourage environmentally sound operations. All our managed vessels certified under Green Award will be granted financial and operational advantages obtainable in many ports worldwide.



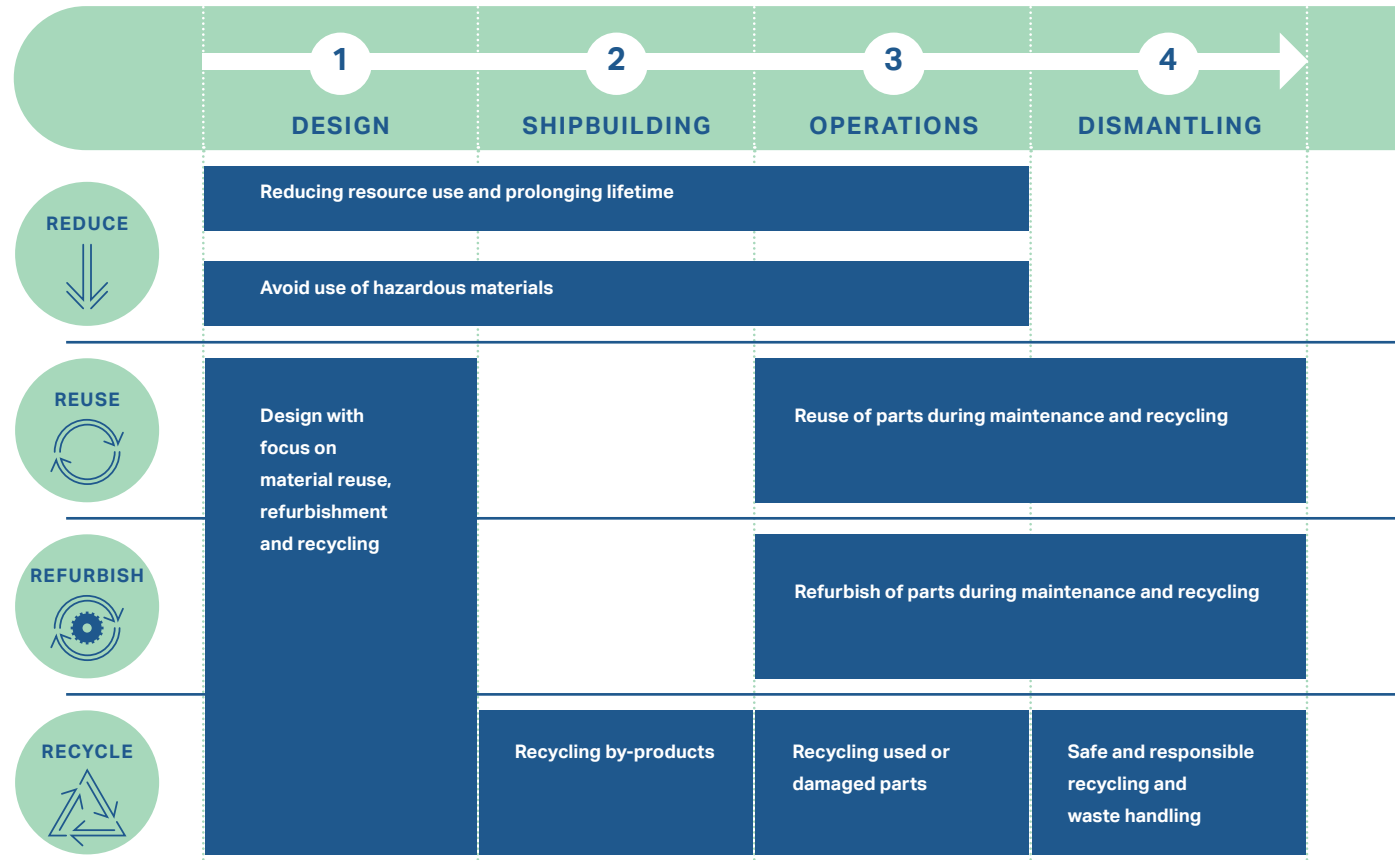
# Circularity Ship Lifecycle

We aim to apply circular economy principles throughout a vessel lifecycle. With a circular economy mindset, there are many opportunities lead to increased revenue, reduced cost and improved risk management.

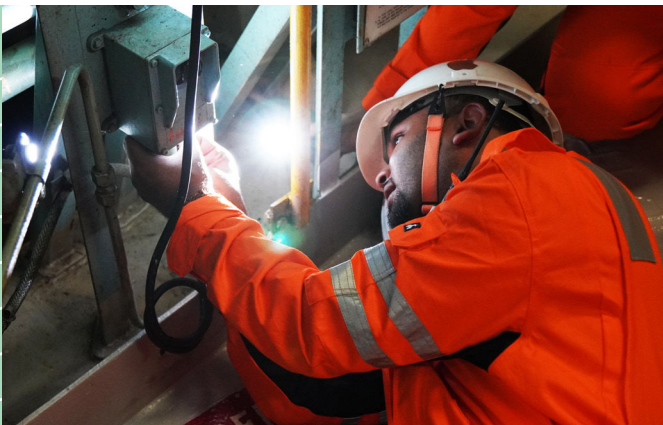
## Ship lifecycle: Exploring shipping's transition to a circular industry

As an active participant in the sustainable shipping movement, we are proud to be part of a working group led by Sustainable Shipping Initiatives (SSI) that focuses on applying circular economy principles in the shipping industry. Our collaboration with SSI aims to raise awareness and understanding among various stakeholders in the shipping sector.

We aim to apply the principles through our newbuilding supervision services offered to our customers in the design and shipbuilding phase.



Source : Sustainable Shipping Initiatives (2021)



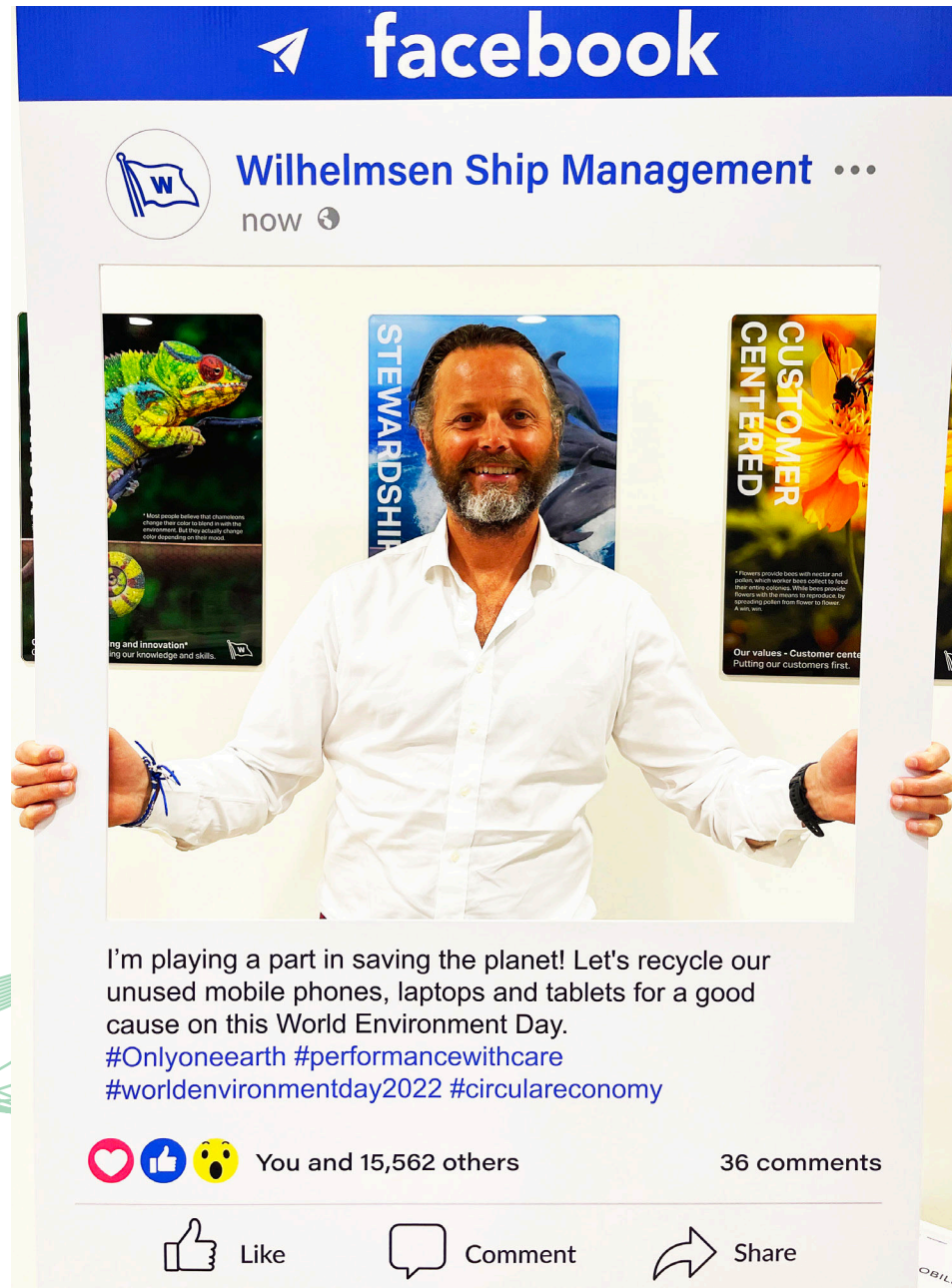
# Electronic Waste

On World Environment Day in 2022, we launched an e-waste recycling campaign as a way to promote circular economy awareness to all our employees.

All employees are encouraged to bring old/unused laptops, handphones and tablets to designated collection points in the office, where the e-waste will be collected by certified disposal vendors.

The objective of this campaign is to bring awareness to the circularity economy concept to our employees.

Employees are introduced on the concept and is encouraged to bring the learnings to be applied in their daily life where possible.



Our Group CEO Thomas Wilhelmsen joining in to support this cause and raise awareness. It is our responsibility to protect our planet.

E-waste collection boxes are placed in selected offices to encourage proper disposal habits.





# 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

As a responsible and trusted value chain partner, we prioritise establishing a robust governance and management system within the Wilhelmsen group. Furthermore, our efforts aim to foster a responsible business culture that upholds compliance and ethical standards.

Ship management is an industry that faces various risks, making it essential to have a governance system with solid policies, audits, risk assessments, and reporting mechanisms. This framework allows us to mitigate risks and prevent unethical business practices.

## Whistleblowing channel

The Wilhelmsen group has implemented a whistleblowing channel to ensure transparency and accountability. This channel provides a secure platform for all employees and external stakeholders to report violations of laws, governing elements, or internal policies. By offering a confidential means of reporting, we encourage individuals to come forward with any serious concerns or offences they may encounter. The whistleblowing channel can be accessed at [wilhelmsen.com](https://wilhelmsen.com).

At Wilhelmsen, we maintain a zero-tolerance stance towards corruption and strive to cultivate a culture of full compliance among our employees. We are encouraged by the increasing number of whistleblowing cases each year, which indicates that our employees and partners are more willing to speak out. However, these cases also remind us that our journey towards a fully compliant workforce is ongoing, as we still encounter instances of non-compliance.

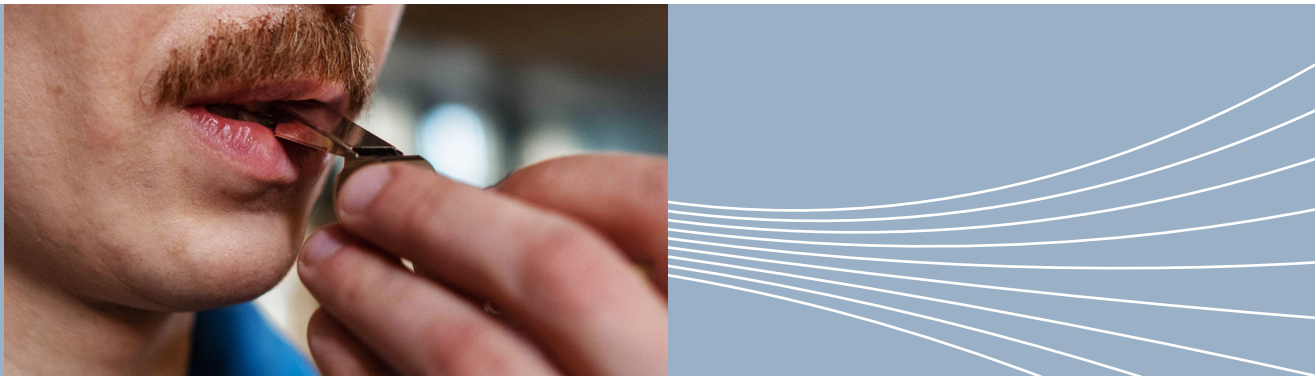
Through our continuous efforts to combat corruption, establish a culture of compliance, and implement robust reporting and response systems, we observe improvements year after year. We remain confident that we can ethically achieve the desired results by adhering to the correct principles and practices.

## Whistleblowing cases

Since the introduction of the Norwegian Transparency Act on July 1st, 2022, we have actively identified and categorized specific whistleblowing cases that pertain to alleged human rights breaches. Among the categorized cases, five whistleblowing reports were related to concerns regarding discrimination, working conditions, harassment, and safety issues. One of the whistleblowing cases confirmed a lack of rest hours due to a shortage of staff, which was promptly rectified by hiring additional staff members to address the issue.

Throughout 2022, Wilhelmsen group received 31 whistleblowing reports, covering allegations of fraud, corruption, data protection, health and safety, and other HR-related matters. Of these reports, appropriate actions were taken in response to 29 cases, addressing the reported issues accordingly. By the end of the year, two whistleblowing cases from 2022 remained pending a conclusion.

It is important to note that there were no confirmed incidents of corruption, discrimination, or harassment based on the whistleblowing reports received during the year. This indicates our commitment to maintaining a sound and compliant work environment while actively addressing concerns raised through the whistleblowing channel.





# Compliance

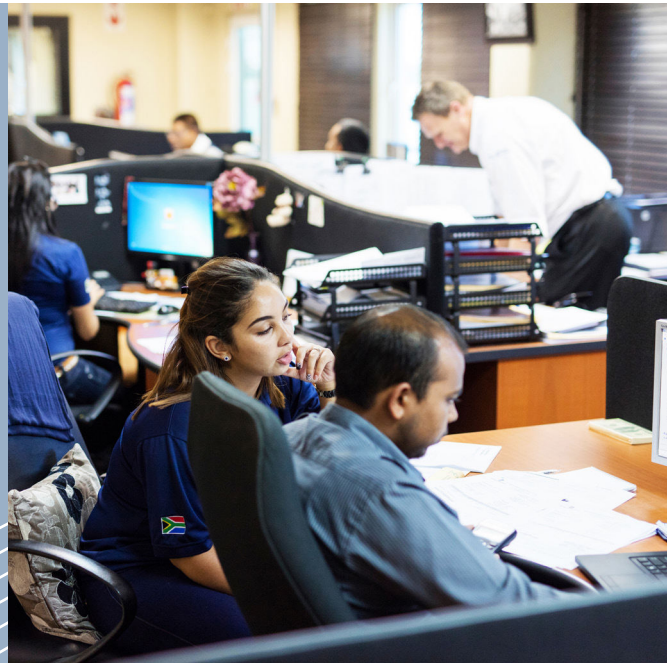
METRICS (Figures within are for Wilhelmsen Group)	2022	2021	2020
Number of whistles	31	28	25
Number of whistles open at year-end*	2*	5	3
Number of whistles related to alleged corruption	3	1	2
Number of whistles related to alleged discrimination and harassment	8	12	No records
Number of whistles related to alleged human rights** breaches	5	No records	No records
Number of dismissals related to confirmed breaches of the company's Code of Conduct and Business Standards	1	3	No records

\* The two whistles open at end of year are not perceived as business critical.  
 \*\* Recorded from 1 July 2022 when the Norwegian Transparency Act was introduced.

## Operations assessed for risk related to corruption

As part of our commitment to zero tolerance for corruption, we are actively working to eradicate any form of facilitation payments within our operations. To achieve this, we have implemented the following measures:

- Refining our internal control framework to continue understanding and create awareness of business ethics risks.
- Adopting a risk management approach towards high-risk operations to ensure resources are effectively allocated.
- Ensuring that both sub-agents and high-risk suppliers are included in our mandatory attendance list for supplier forums conducted globally.
- Maintaining our active participation in the Maritime Anti-corruption Network (MACN).



# Compliance

## Awareness training on Wilhelmsen business standards

We hold all employees accountable for upholding our high ethical standards outlined in our governing elements and Code of Conduct. We continuously maintain transparency and compliance as a trusted partner to our stakeholders. All new employees undergo mandatory business standards training as part of our onboarding process.

The training addresses :

- Anti-corruption
- Theft and fraud
- GDPR and data protection
- Competition law
- Whistleblowing

We are proud to report that 100% of our employees have completed the business standards refresher training, which reflects our commitment to maintaining a strong ethical culture. Achieving full compliance requires dedicated efforts, including active management involvement, progress monitoring through dashboards, screensaver reminders, and effective communication through various channels.

Furthermore, we utilized International Anti-Corruption Day on December 9th to raise awareness about fraud and corruption. Additionally, we conducted awareness training related to our whistleblowing channel.

In 2023, we will conduct Business Standards training for all employees worldwide to achieve 100% completion. We also plan to update, refresh, and expand this mandatory training to ensure comprehensive coverage of relevant topics and enhance employee awareness.

### KEY RISKS AND OPPORTUNITIES

#### Key Opportunities

- Customer and market confidence in ethical business culture
- Healthy partnerships with serious actors
- Higher employee engagement as a responsible employer

#### Key Risks

- Non-compliance events with security, reputational and/or financial consequences
- Operational or supply chain disruption
- Business dealings in high governance risk countries

### PROGRESS ON TARGETS

2022 Target	2022 Result	2023 Target
<p>Refresher business standards training with 100% completion rate.</p> <p>Continued screening of new suppliers against strict criteria. Audits as per schedule as far as practicable.</p>	<p>100% onshore and seafarer completion</p> <p>Matured screening and risk management processes in place - entities conducted 1,031 supplier screenings with sustainability criteria.</p> <p>Human rights due diligence framework developed.</p>	<p>100% completion.</p> <p>Continued screening of new suppliers against strict criteria. Self-assessment and audits as per schedule.</p> <p>Rollout new group Supplier Code of Conduct including human rights framework.</p>
<p>New</p>		<p>Conduct materiality assessment based on GRI 2021 and guidance related to CSRD/ESRS requirements.</p> <p>Conduct CSRD/ESRS gap analysis.</p> <p>Implement robust ESG management system including ESG reporting tool.</p>



# Compliance

## 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.*



## TRAINING COMPLETION BY SHORE EMPLOYEES

	2022	2021	2020
Mandatory business standards training - % completion rate	100%	100%	84%
Mandatory competition law training for specific employees based on role - % completion rate	100%	100%	n/a



# Compliance

## Reporting and control

In 2022, compliance activities that required travel and physical presence at our locations, such as investigations and audits, were impacted by the COVID-19 situation. To address this, we provided guidance and instructions to local and regional resources to follow up on potential irregularities.

While the number of detected fraud cases remained limited, as per our principles, such cases were reported to the police. In February 2022, the Wilhelmsen group experienced an external fraud incident involving a significant amount. We promptly reported the case to the relevant jurisdictions' police, and an ongoing investigation is underway. To prevent similar fraud cases, we have implemented several concrete measures, including reviewing and updating our cyber security and fraud training programs.

All companies within the Wilhelmsen group are expected to conduct risk assessments and take appropriate mitigating actions as necessary. In addition, the board receives quarterly updates on potential compliance issues, and dedicated annual meetings are held to discuss compliance, regulatory requirements, and overall awareness training. These measures demonstrate our commitment to maintaining a vigilant and proactive approach to compliance.

## Partnerships and alliances

We actively participate in industry networks and partnerships, including the Maritime Anti-Corruption Network and Transparency International Norway.

These collaborations enable us to drive positive change, develop regulatory requirements, and promote transparency and ethical practices in our industry.

## Cyber security

We aim to minimize cyber security and data protection risks while fostering a culture of risk prevention among employees. In 2022, we focused on improving cyber security maturity by enhancing operational measures, strengthening risk management, and establishing transparent governance.

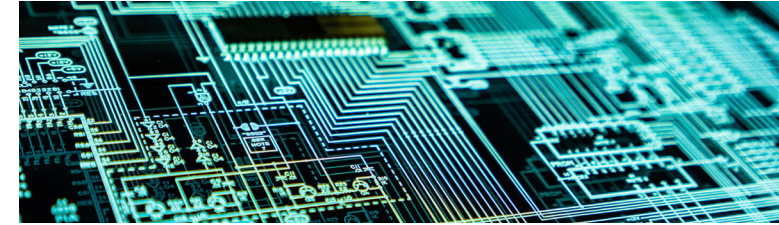
Initiatives included:

- Forming an IT and Cyber Security governance board.
- Conducting business impact assessments.
- Developing a group cyber risk management framework to be implemented in 2023.

We also prioritized employee cyber awareness through training programs and simulations, achieving a 100% completion rate. As we advance, we will continue to enhance our systems' maturity, align with regulatory updates, and strengthen our defence based on experience gained over time.

## GDPR compliance

We manage our GDPR practices diligently through Wilhelmsen Group's internal network of personal data protection administrators. In 2022, we conducted quarterly reviews to ensure compliance with GDPR. The results of these reviews demonstrated our ongoing commitment to personal data protection and GDPR compliance. Throughout the year, our data protection officer successfully handled and processed 30 enquiries and incidents related to data protection.



### CYBER SECURITY CAMPAIGN

	2022	2021	2020
Cyber security training completion rate for all employees	100%	100%	99%

### CASES REPORTED\*

	2022	2021	2020
GDPR	30	30%	30%

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

# Supply Chain Management

We prioritize business with responsible suppliers and continuously enhance our approach within complex, extensive supply chains.

We carefully assess risks, vet applications, and maintain supporting documentation for future reference. Suppliers are expected to comply with our sustainability standards and are subject to audits.

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

- Preventive measures against financial fraud
- Sanctions and compliance
- Quality management systems and accreditation
- Human rights, modern slavery and child labour
- Working conditions including health and safety
- Corruption and bribery
- Business ethics and code of conduct
- Supporting the UN Convention on the Rights of the Child
- Cybersecurity precautions
- Reduction of environmental impact

Suppliers are expected to comply with our sustainability standards and are subject to audits. Annual re-submission of applications is required for suppliers with framework agreements, and those failing to meet the standards are removed from the approved supplier list.

In 2022, we experienced increased activity driven by geopolitical risks and the implementation of the Transparency Act in Norway. As a result, we conducted 1,031 supplier screenings with sustainability criteria. Additionally, periodic performance assessments, reviews, and onsite audits were conducted.

In 2023, we will develop standardized ESG assessment criteria and implement a new Supplier Code of Conduct aligned with our new human rights framework. This code will serve as the foundation for supplier assessments, qualification, contracting, audits, and reviews.

## SUPPLIERS

	2022	2021	2020
Number of suppliers - approximate	2,662	2,712	2,686
Number of suppliers screened with sustainability criteria	1,031	852	600
Number of supplier audits including sustainability criteria	58	58	8



## Wilhelmsen Ship Management

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1 Kim Seng Promenade  
#15-07 Great World City  
West Tower  
Singapore 237994

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T +65 6513 4670



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[www.wilhelmsen.com/ship-management/](http://www.wilhelmsen.com/ship-management/)