

# Sustainability Report 2020





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# 1 About this report

The content of this report is defined by a materiality assessment conducted in 2018 and covers activities in the calendar year 2020.

Wilhelmsen Ship Management's report follows the Wilhelmsen Group's strategic review in 2018 aligned with the UN Sustainable Development Goals (SDGs).

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

In 2020, Wilhelmsen Group conducted a materiality assessment review to account for changes to the internal and external context since 2018. The new 2020 materiality assessment will be used to focus our 2021 activities and reporting.

During 2020, stakeholders' interests were related to COVID-19 response, financial, compliance and anti-corruption, cyber security and resilience, innovation, sustainability in general and a heightened interest in activities related to the decarbonisation of shipping and the energy transition.

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

In 2021, we will continue to actively engage with stakeholders directly and through our membership platforms.

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# Working with our stakeholders



In 2020, Wilhelmsen Ship Management became a member of the Sustainable Shipping Initiative's (SSI) alliance of leading organisations to bring change to a more sustainable maritime trade. We are committed to work collectively together with SSI and other forward leaning members to impart values in the shipping industry. As a member, Wilhelmsen Ship Management will participate in working groups on issues relevant to SSI's Roadmap in six vision areas: Oceans, Communities, People, Transparency, Finance, and Energy.

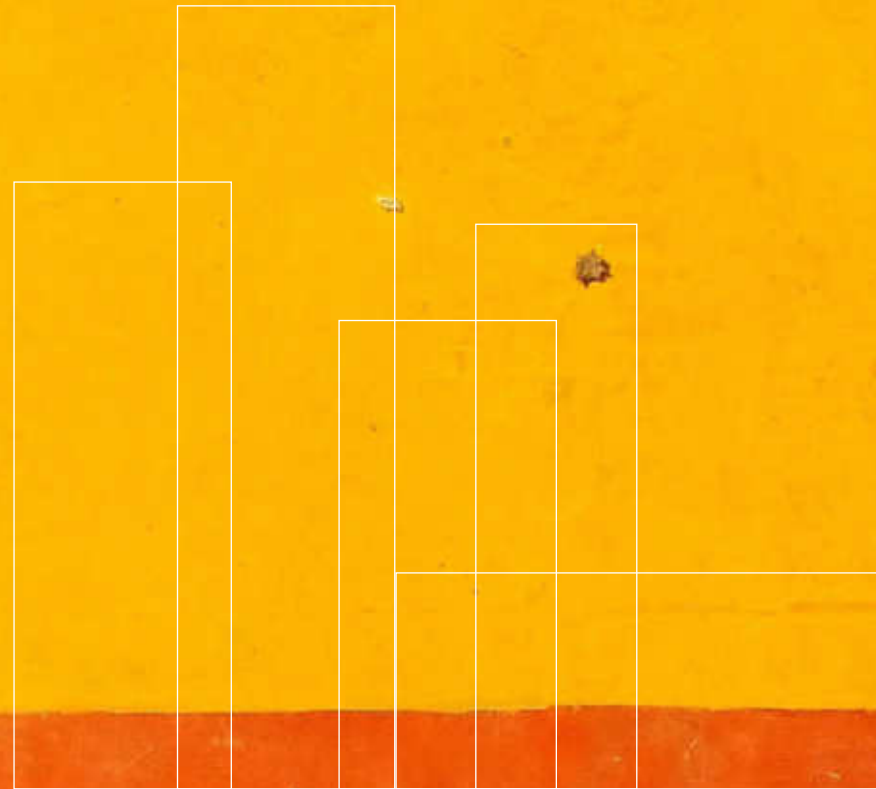


Wilhelmsen Ship Management, is part of the council supporting IMPA's (International Marine Purchasing Association) initiative called IMPA SAVE. The initiative represents global shipowners and maritime suppliers as adopters of sustainable business practices aimed at conserving the world's oceans through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





# — Overview



2.1

# Message from our CEO and President



What a ride it has been! 2020 sparked solidarity in a new way – no matter who or where we are, we have been through this together.

The pandemic has been harsh to everyone, especially to our crew. When WHO declared the COVID-19 outbreak a pandemic, the world was put on a standstill. Shipping continued its course to provide for world trade. However, crew change activity became an extremely complex task. The strain of being onboard for a prolonged time, away from family and home is detrimental to our crew's well-being.

Shore-based employees transitioned from working full-time in office to working from home in just a matter of days. It is truly amazing to see the "can-do" attitude shown by all employees when coping with this abrupt transition in order to keep the operations running.

I am extremely thankful and proud to have such resilient employees and seafarers in these difficult times. We have made it a focus to ensure that their well-being is taken care of, no matter if they are working on board, at home, or in the office.

Reducing our carbon footprint continues to be a priority – one that cannot afford to be put on hold, despite going through a pandemic. We have ongoing goals to optimize vessel and voyage operations to provide value to customers, to reduce environmental impact and collaborate with industry experts to develop alternative fuels with zero emission.

Our companywide guiding principle, "Performance with Care", aims to empower all employees towards UN sustainable development goals. Our objective is to be a responsible ship manager that incorporates three pillars of focus into our operation – People, Environment, Trade and Customer. We have a dedicated team to steer the programme within "Performance with Care" throughout the organisation.

Our progress is addressed in more detail in this second sustainability report. There is still much work to be done and we are committed to protect our people, community and environment.

*Sincerely,*

**Carl Schou**

President & CEO  
Wilhelmsen Ship Management



## 2.2

# Performance With Care

Wilhelmsen Ship Management is a ship manager that is not only committed to 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 at the forefront of 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

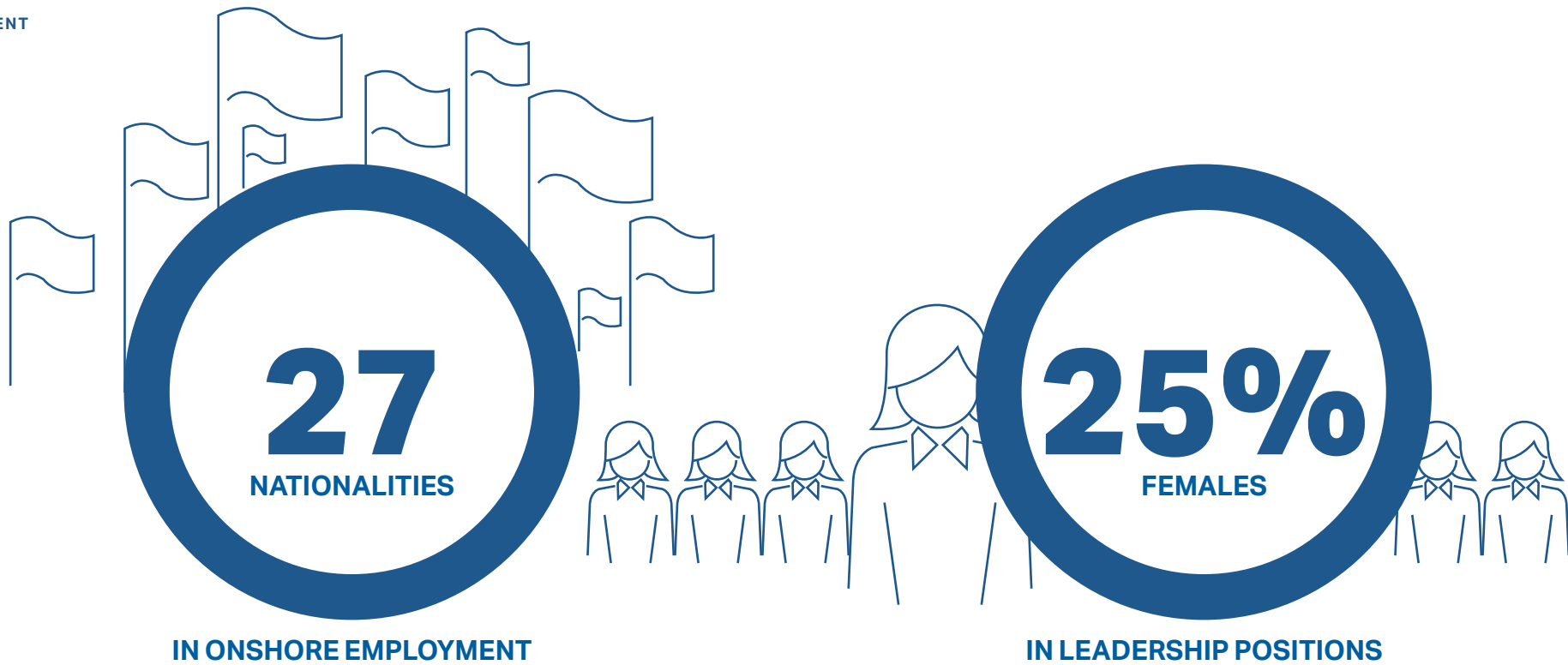
## ENVIRONMENT

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



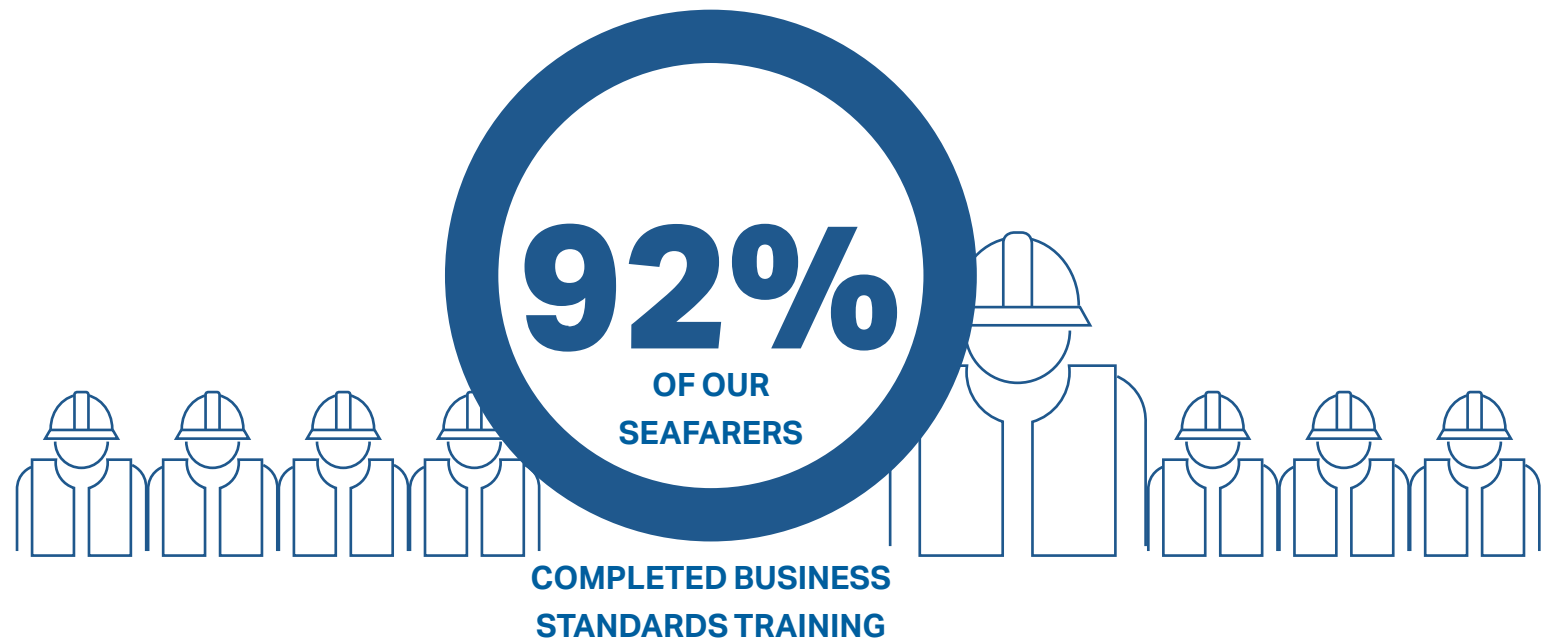
## TRADE & CUSTOMER

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



# Key Figures

2.3





**0.28**

LTIF ONBOARD



**99%**

OF OUR EMPLOYEES  
ONSHORE

COMPLETED CYBER  
SECURITY TRAINING



**600**

SUPPLIERS  
SCREENED

USING THE  
SUSTAINABILITY CRITERIA

# Materiality assessment

We use a materiality assessment to find the aspects of our business which we believe have the most impact on the environment and the societies in which we operate. In the assessment, the importance of different topics are ranked by us and our stakeholders, such as our board, group and company management teams, employees, customers, suppliers, competitors, industry players, and shareholders.

## Materiality assessment conducted in 2018

Wilhelmsen conducted a materiality assessment in 2018 to continue to prioritise, refine, and streamline the group's sustainability work and reporting.

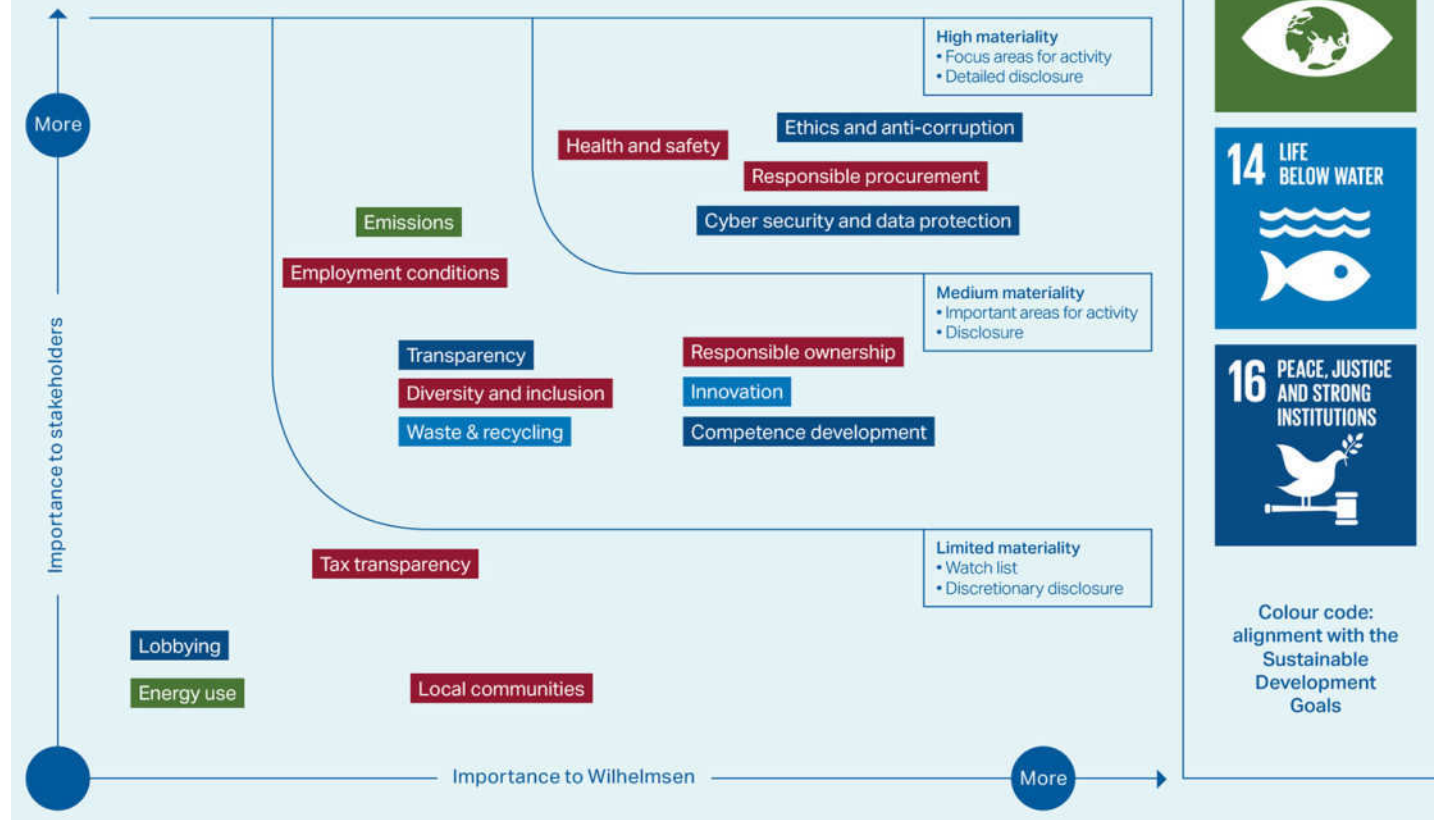
The materiality assessment is reviewed annually and updated when there is a significant material change or at least every 2 years.

As a result of the assessment, we identified 16 material areas, four (4) of which were regarded as high materiality topics:

- ethics and anti-corruption
- health and safety
- responsible procurement
- cyber security and data protection

Material topics description at pg. 62.

# Materiality assessment 2018





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# Our alignment of SGDs in our sustainability efforts

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## 2.5

We have narrowed to 4 SDGs correlating directly with our sustainable goals for 2020 – 2021 to achieve our promise to the People, Environment and Trade & Customer.

Although we considered our whole integration with the environment and communities, we have prioritized four topics as being the most material to our organisation, and where we believe we can have the greatest impact.

There are seven further topics that we have identified as being material, and they will form part of our holistic strategy.

We are proud that we have made a strong start in many of these topics, but we understand that we have work to do.

These goals are and will require strong and considered focus to make a difference at both an ambitious organisation and industry level. We are committed to being part of this change.

We understand that there are real business opportunities for us to provide sustainable solutions for our customers and stakeholders.

Wilhelmsen Ship Management's overarching strategy is to find preventative solutions and tackle the root cause – not short-term fixes.

SDG	MATERIAL ISSUES	OUR POSITION	OUR EFFORTS AND PROGRAMMES
<div data-bbox="152 204 331 383"> <b>8</b> DECENT WORK AND ECONOMIC GROWTH   </div> <div data-bbox="360 236 649 391"> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p> </div>	<div data-bbox="685 236 992 263">Health, Safety and Wellbeing</div> <div data-bbox="685 379 938 406">Employment Conditions</div> <div data-bbox="685 491 1028 518">Giving Back to Local Community</div> <div data-bbox="685 603 963 630">Responsible Procurement</div>	<div data-bbox="1180 236 1644 359"> <p>We are committed to safeguard the health and safety of our employees and seafarers. We proactively look into initiatives to strengthen the HSEQ culture onshore and onboard.</p> </div> <div data-bbox="1180 379 1644 470"> <p>We are committed to develop a conducive environment for employees to thrive and assisting them to reach their highest potential.</p> </div> <div data-bbox="1180 491 1644 550"> <p>Philanthropy is the cornerstone of our commitment to investing in communities</p> </div> <div data-bbox="1180 603 1644 694"> <p>We are committed to create a sustainable supply chain and will only work with suppliers that shares the same value.</p> </div>	<div data-bbox="1675 236 2152 327"> <p>We provide a safe working environment for our employees and seafarers. We actively launch campaigns to increase competence in health and safety behaviour.</p> </div> <div data-bbox="1675 379 2152 470"> <p>Employees are our biggest asset and we proactively look into ways to create a working environment that promotes equal opportunity and diversity.</p> </div> <div data-bbox="1675 491 2152 582"> <p>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.</p> </div> <div data-bbox="1675 603 2152 726"> <p>We are committed to work with suppliers that have demonstrated compliance in our assessment process. We actively engage with suppliers to create a sustainable value chain for the maritime industry.</p> </div>
<div data-bbox="134 782 313 949"> <b>13</b> CLIMATE ACTION   </div> <div data-bbox="360 798 622 888"> <p>Take urgent action to combat climate change and its impacts</p> </div>	<div data-bbox="685 798 797 825">Emissions</div>	<div data-bbox="1180 798 1644 920"> <p>We are committed to understanding, managing and minimising our environmental footprint across our value chain, including our business operations, suppliers and customers.</p> </div>	<div data-bbox="1675 798 2130 888"> <p>We aim to reduce our direct and indirect emission from our own and customer operations. We are collaborating with our clients on development of alternative fuels.</p> </div>
<div data-bbox="134 976 291 1144"> <b>14</b> LIFE BELOW WATER   </div> <div data-bbox="360 992 649 1115"> <p>Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p> </div>	<div data-bbox="685 992 909 1019">Waste and Recycling</div> <div data-bbox="685 1104 797 1131">Innovation</div>	<div data-bbox="1180 992 1644 1083"> <p>We actively monitor our waste management practices as part of our business operations and environmental conservation efforts.</p> </div> <div data-bbox="1180 1104 1644 1163"> <p>We encourage initiatives to nurture sustainable ideas into reality.</p> </div>	<div data-bbox="1675 992 2168 1083"> <p>Stewardship is a value embedded in the Wilhelmsen culture. We promote responsible consumption and recycling programs onboard and onshore.</p> </div> <div data-bbox="1675 1104 2168 1163"> <p>We innovate to bring the latest technology to assist ship owners with meeting their goal of reducing carbon footprint.</p> </div>
<div data-bbox="134 1216 302 1399"> <b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS   </div> <div data-bbox="360 1232 649 1450"> <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p> </div>	<div data-bbox="685 1232 842 1259">Cyber Security</div> <div data-bbox="685 1375 963 1402">Ethics and Anti-Corruption</div>	<div data-bbox="1180 1232 1644 1355"> <p>We take cyber security and data protection seriously and have adopted appropriate security measures to protect our data. We are proactively strengthening our cyber security culture.</p> </div> <div data-bbox="1180 1375 1644 1498"> <p>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.</p> </div>	<div data-bbox="1675 1232 2168 1355"> <p>We are committed to protect the data that we collect and work with. Our effort is focused on empowering employees and crew with the right knowledge and tools to heighten their risk mitigation behaviour.</p> </div> <div data-bbox="1675 1375 2168 1466"> <p>We are guided by our policies on ethics and anti-corruption. Our efforts are focused on strengthening responsible business culture.</p> </div>

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# WSM's COVID-19 Response

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2.6

## COVID-19

In light of the evolving COVID-19 situation, Wilhelmsen Ship Management implemented the following operational adjustments to secure the well-being of our employees and crew as we strive to deliver an uninterrupted operability of our fleet.





## Response to COVID-19 onshore

The health, safety, and wellness of our employees is the number one priority in our COVID-19 response. Through 2020, we have responded globally and locally to the situation with communications, site risk assessments, business continuity planning (BCP) 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 motivated despite most working from home.

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



### Social Distancing of Shore Employees

Employees are mostly operating from home or at half-office-workforce as required by local government recommendations. The affected offices are operating under their business continuity plan to ensure continuity of services. This arrangement continues until further notice.

### Stepping Up Cyber Security

Working from home as securely as possible during the pandemic is high on our agenda. We have stepped up our cyber security initiatives and communicated the guidelines to all employees. Employees are reminded to stay vigilant as we expect an increase in fraud attempts.

### Disinfection of Offices

We have disinfected our offices and complied with local governments' guidelines on social distancing arrangements to prepare for the return of our employees to their workplaces.

### Communication

Employees have been kept updated on the latest progress of the outbreak situation and business continuity plan via our intranet. Our employees receive e-mail updates with current social distancing orders from respective governments.

### Physical and Mental Health

We took the proactive route to reach out to employees to boost morale as mental health is priority during this period.



## Response to COVID-19 for seafarers

In the initial stages of the pandemic, crew change moved from being operationally challenging, to a humanitarian crisis. During the year, we conducted crew changes where possible, when risk mitigation conditions were met, and according to international and local guidelines. Management has also been active in raising awareness of the need for seafarers to be recognized as key workers, to enable the safe and unhindered movement of seafarers to and from their workplace.



### Crew Change

At the height of COVID-19, most countries/cities implemented lockdowns. As restrictions eased and economies opened, crew changes were made where possible and when risk mitigation conditions were met. All crew changes are according to international and local guidelines.

Our crew change efforts are performed in accordance with IMO's recommended framework of protocols ensuring safe ship crew changes and travel. We are proactively evaluating the situation to ensure that our crew can be relieved as soon as possible.

### Port calls

When calling at port, crew must take precautionary measures to protect themselves. Crew are familiarized with the safety guidelines focusing on safety measures to be taken prior to, during stay and after departure

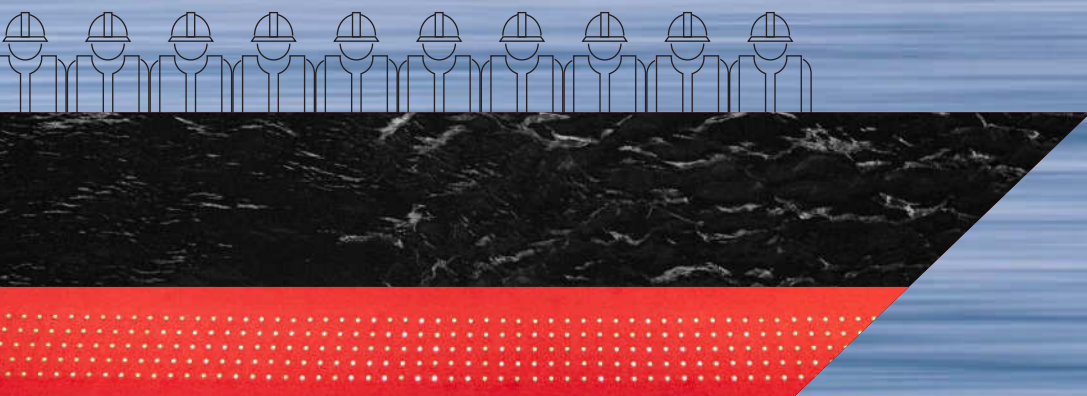
### Communication

We have heightened our communication frequency with our vessels through port updates and safety bulletins. It is essential to keep the crew updated on the latest progress of the outbreak and measures for protection.

In addition the CEO & President has been making personal calls to speak with crew that are onboard every week to gauge the morale and seek feedback on how we can support them better during this difficult time. This interaction has been very well appreciated by the crew and valuable to the management.

### Physical and Mental Health

On board health and safety culture are top priority for all crew. Our mental health campaigns were launched and we encourage our seafarers to reach out for help.





# — People

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# People

## **We aim to create an environment where employees and communities thrive**

We have ship management and manning offices operating on four continents providing full technical management, crewing and related services for all major vessel types.

"Performance with Care" means we focus on the wellbeing, health and safety of our employees and communities we work with, and support them wholeheartedly whenever we can. We embrace diversity, and strive to create a culture where our employees around the world feel at liberty to be themselves, regardless of race, gender, sexuality, or any other element of their being. This support ensures that our employees, onboard and onshore, can reach their full potential.

We conduct our business with respect for human rights and labour standards, including conventions and guidelines related to the prevention of child or forced labour, minimum wage and salary, working conditions and freedom of association. Employees and external stakeholders are encouraged to report on non-compliant behaviour through the group's global whistleblowing system. Employee performance is measured through performance appraisals and annual activity plans. Employee engagement is measured and addressed in the annual employee engagement survey.



## 8 DECENT WORK AND ECONOMIC GROWTH



PEOPLE	TARGET 2020	RESULT 2020	TARGET 2021
<b>Health, Safety and Wellbeing</b>	Provide a safe working environment for our employees and seafarers. We actively launch campaigns to increase competence in health and safety behaviour.	Several wellbeing campaigns and COVID-19 safety-related communication were launched to engage with our employees and crew.	We will continue to apply appropriate COVID-19 response measures and wellness activities for our employees and seafarers.
<b>Employment Conditions</b>	Employees are our biggest asset and we proactively look into ways to create a working environment that promotes equal opportunity and diversity.	Online learning has been integral for 2020 with most employees working from home. Developing our employees' competence was the focus. Employees are encouraged to upscale their skills through our extensive library of digital learning courses.	Online learning will continue to be the mainstream for employees' competence development.  Leadership development modules will be conducted online to continue nurturing the future leaders within the company.
<b>Giving back to local community</b>	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.	Our seafarers have been significantly impacted by the pandemic. We have raised the awareness and donated to charities that focus on seafarers' welfare and communities in need.	We will increase our efforts to local communities in countries where we operate.



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# Health, Safety and Wellbeing

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## 3.1

Our focus is on the continuous improvement of health and safety management systems and the development of employee knowledge.

Implementing a variety of ongoing initiatives to maintain a healthy and safe work environment were particularly critical during the year. The focus was on physical and mental health and safety, working conditions including working from home, employee assistance program, safe social activities, employee engagement surveys and opportunities for personal development.

During the year, there were zero work related fatalities. The lost time injury frequency (LTIF) and total recordable case frequency (TRCF) rates were within targets both on shore and on vessels, sickness absence was in line with previous years, and no occupational disease cases were recorded.

## Health and safety metrics

### Onshore

(exposure 8 hours a day, 5 days a week)



Shore-based employees	2020	2019	2018
Exposure hours	1,060,249	1,015,278	941,979
Lost time injury frequency rate (target 0.50)	0*	0.98	1.06
Total recordable case frequency rate (target 1.50)	0*	0.98	1.06
Safety observations	0	1	0
Sickness absence	1.1%	1.66%	1.10%

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

### Onboard

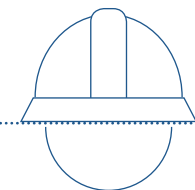
(exposure 24 hours a day, 7 days a week)



Crew	2020	2019	2018
Exposure hours	35,570,856	29,683,152	30,437,640
Lost time injury frequency rate (target 0.50)	0.28	0.32	0.28
Total recordable case frequency rate (target 2.60)	1.4	1.46	1.4
Safety observations	10,969	9,782	9,126

In 2021, our health and safety targets will be for LTIF rate not to exceed 0.40, and for TRCF rate not to exceed 2.80 on vessels and 1.00 onshore.

Target 2020	Result 2020	Target 2021
LTIF onshore not to exceed 0.50	0	not to exceed 0.40
TRCF onshore not to exceed 0.50	0	not to exceed 1.00
LTIF onboard not to exceed 0.50	0.28	not to exceed 0.40
TRCF onboard not to exceed 2.80	1.40	not to exceed 2.80



The COVID-19 pandemic made crew changes extremely difficult: due to the hard lockdowns imposed by nations, it was an exceptional challenge to secure flights and fluid changes in national and international regulations. We are extremely grateful at the resilience of our crew showed during these times. As we could not sign-off our overdue crew, we made sure members of senior management, including our CEO, had direct engagement with them – receiving feedback on what we could to assist them.





#### Vessel visits by CEO and senior management

Our CEO and senior management team conduct on board visits to drive the safety message and observe the overall well-being of the crew. Open dialogues with crew help us identify improvement opportunities and receive their feedback in accomplishing our safety commitments.

#### Scheduled vessel calls or visits

Our CEO has been doing personal calls to speak with crew that are onboard every week. The objective of these calls is to gauge crew morale and seek feedback from crew on how we can support them better during this difficult time. Such calls have been very well appreciated by the crew and valuable to the management.



#### Mental well-being

As many of our employees are working from home, we acknowledge the strain of balancing work and personal space. We hosted virtual sessions conducted by a certified professional to help employees recognize the early signs of burnout and ways to alleviate it, making sure all employees are aware of, and can access, professional support if needed. We increased the active promotion of our mental health programmes to both onshore, and onboard employees and encouraged them to talk to peers and colleagues about how the pandemic has affected them.

Seafarers face unique working conditions which can put them under a lot of stress. The mental health of our crew is a priority of our organization, and one that has only been made more acute in the past year. We have developed crew-centric campaigns which promote the early signs of mental health issues and how to recognize them. We have trained key crew members to be initial "councilors", and have a dedicated fast-elevation procedure if they feel any member of the crew needs shore-side support.

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# Employment Conditions

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## 3.2

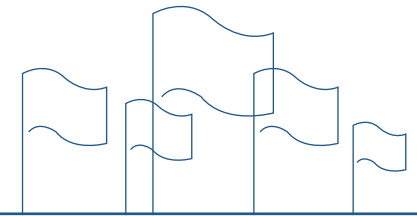
We are Maritime Labour Convention (MLC)-compliant. All seafarers' contracts are in accordance to local Collective Bargaining Agreement (CBA)s and International Transport Workers' Federation (ITF) standards. We strive to create a culture where our employees around the world deliver the right results in 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.



## Demographics

Wilhelmsen has a clear policy stating that employees have the right to equal opportunities. 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 aim to enrich our workforce with diversity and we will continue to include diversity criteria in our talent programmes.

At the end of 2020, there were 533 employees onshore and 10 639 seafarers in Wilhelmsen Ship Management. 25% of senior management team positions were held by females.



### Demographics - Employees

	2020	2019	2018
Onshore	533	530	492
Crew	10,639	10,230	9,334
Turnover rate onshore	7.3%	1.57%	3.46%

### Demographics - Diversity

	2020	2019	2018
Number of nationalities - onshore	27	27	27
Females - % senior management	25%	25%	14.29%

## Employee engagement survey

In the third quarter of 2020, we conducted an employee engagement survey to measure our ability to provide an engaging and safe work environment where employees are motivated to work and achieve their full potential. The survey results were positive with an overall engagement score of 77 points, up 1 point from the previous year. There was also a high survey completion rate of 89%. The results point to consistent and positive high engagement, where employees felt positively taken care of during the COVID-19 pandemic.

We always see 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.



### Engagement survey and performance appraisal

Response rate	2020	2019	2018
Engagement survey completion rate	89%	95%	95%
Engagement survey score	77%	76%	76%
Performance appraisal completion rate	95%	91%	93%

## Keeping engagement levels high

2020 was a challenging year as international travels were restricted and social distancing measures were enforced. To maintain our collaborative spirit while distanced, we introduced fresh ways to keep the communication channel robust with the aim to keep all employees and seafarers closer.



Maintaining an official channel to provide consistent and accurate flow of information was critical at the beginning of the pandemic as countries we operate in were beginning to impose lockdown. The Global Emergency Response team was mobilized to keep employees and seafarers informed of operational changes and safety news:

- Business Continuity Plan shared for every local offices including manning office
- Clear internal communication was disseminated by e-mail and through managers to assure employees of safety measures undertaken
- Localised COVID-19 related information to keep employees updated
- Clear and consistent messaging to inform employees and seafarers



## Capability development

"Learning and innovation" is one of the group's core values, and Wilhelmsen places particular emphasis on continuous learning through on-the-job experiences, tasks and problem solving (70% of learning); feedback, coaching (formal and informal) and networks (20% of learning); and formal classroom courses, e-learning, seminars, videos etc. (10% of learning). A learning organisation with motivated employees contributes to efficient operations and has a positive impact on revenue and earnings. Personal development plans for all employees are integrated in the performance appraisal and review process.

### Onshore

#### Continuous e-learning

In the changing competitive landscape, it is important that we all stay relevant through continuous learning and development. We have invested in a large library of courses from LinkedIn Learning for employees to proactively take charge of their own development.



#### Leadership competence

Securing a safe 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.

In 2020, Wilhelmsen group implemented a new leadership development approach to support our leaders and increase our leadership bench strength. The leadership development journey consists of 2-3 learning modules per year for all leaders (approximately 850) in the group. 160 top leaders completed the first module in 2020 which focused on our leadership expectations.

In 2021, the remaining 700 leaders will be ready to be onboarded into this continuous learning journey.

### Crew

Seafarers have extensive training throughout the year to comply with rules and regulation and best practice. Our systems are built to ensure proper certificates and competencies for the seafarers, and not 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. However, we understand that quantitative KPIs form an important part of accountability and continual improvement – we are in the process of developing this ability and will report on progress in next year's report.

Developing our crews' soft skills is crucial for a healthy working environment on board. Officers Conferences were held online in 2020 to ensure that these skills continue to be transferred to our crew.

## Data automation for future-ready talents

Continual technological improvements have allowed the automation of some tasks. Our focus on operational efficiency allows us to deliver more value to our customers, while maintaining our rigorous standards.

In 2020, we have doubled the Robotic Process Automation (RPA) processes within our operations. RPA has taken away a lot of repetitive tasks that are all manual and time-consuming. Employees are driven to delivery better results and there is more room for value creation.

In 2021, we are looking to further automate our processes in more business areas. We plan to support our employees' professional development by training them with new skills and provide them the opportunity to take on new roles in our company.

## Just Culture

*Just Culture* was launched with the aim to create an environment where employees can thrive. This a culture that holds organizations accountable for the systems they design and for how they respond to staff behaviors fairly and justly. This culture is widely adopted in many companies around the world that are focused on safety and quality.

The essence of *Just Culture* is not entirely new to us, for decades we have been guided by our policies, systems, processes and company values which hold a strong foundation to this culture.

Launching *Just Culture* is a way to ensure employees that we have a workplace built on trust and responsible behavior where people are encouraged to share essential information without fear. The 3 guiding principles are:

- **Accountability:** Taking ownership of work performance, customers, successes and even failures.
- **Empathy:** Complete understanding when working in a diverse team with members coming from different cultural backgrounds and age groups.
- **Fair & Just System:** Learning from mistakes and seek to improve from it. When human error is made while working in systems, processes and policies defined by us, we will neither assume nor seek personal fault or guilt.

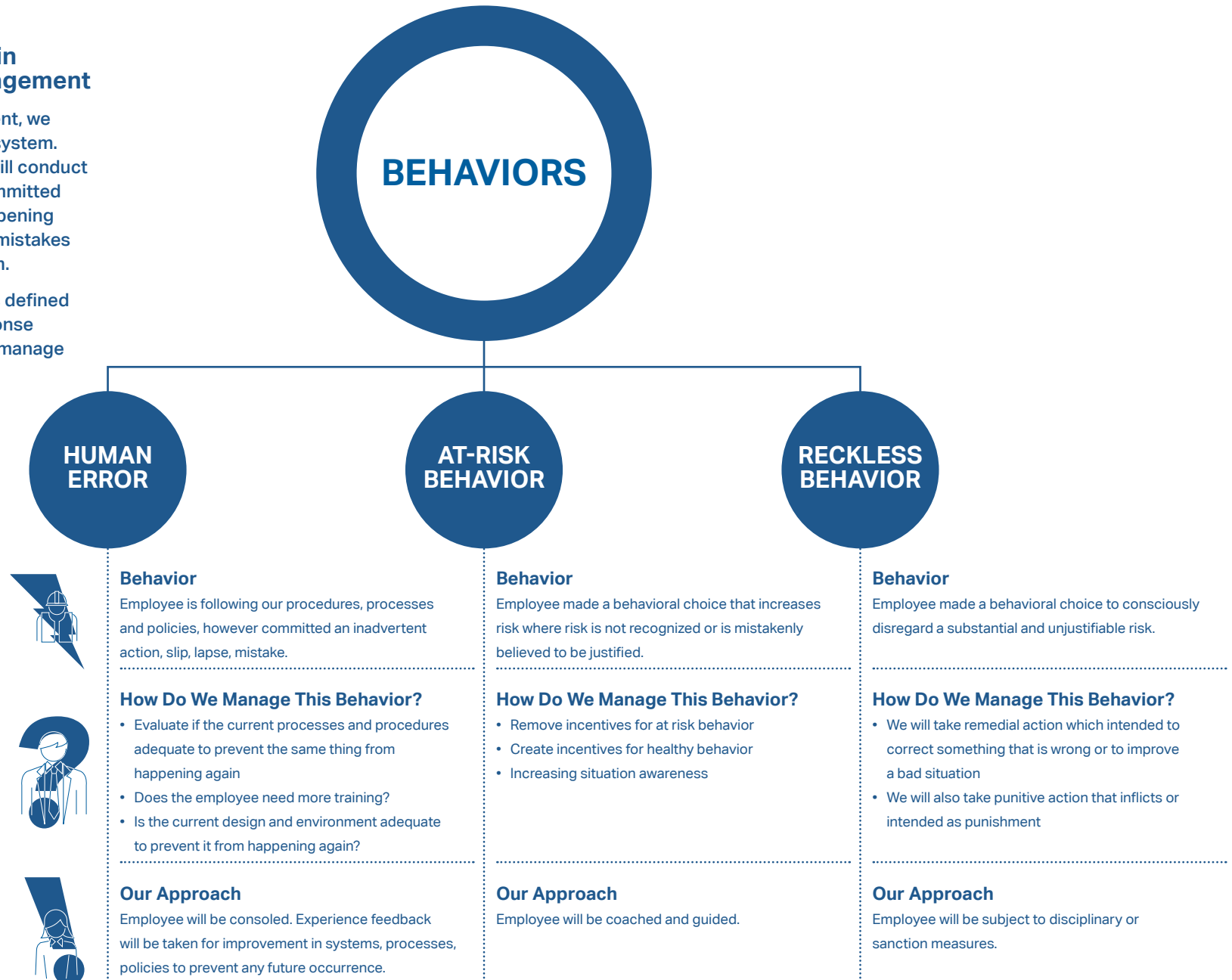


Willy the Whale, our Just Culture mascot.

## A fair and just system in Wilhelmsen Ship Management

In Wilhelmsen Ship Management, we strive to create a fair and just system. When mistakes do occur, we will conduct a fair investigation and are committed to mitigate the same from happening again. We value learning from mistakes and seek to improve from them.

There are 3 types of behaviors defined as below that generate a response on how - we, the company will manage the behavior.



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# Giving back to local community

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3.3

We have continued our efforts to support human rights and help the local economy's growth. We believe charity begins at home and for us, it is where we operate in.



Each year, employees are invited to make a difference in their community by doing an activity with a local not for profit organisation. Whilst most activities needed to be rescheduled or reshaped due to COVID-19, we still managed to conduct initiatives in India and Philippines, and collected funds globally to help those in need.



### India

In Mumbai, we provided essentials like groceries, school supplies, toiletries, clothes and COVID-19 healthcare items such as hand sanitizers, face masks, gloves and temperature scanners to a home for underprivileged children.

Moving forward in 2021, we aim to help underprivileged girls to support their education.



### Philippines

In 2020, we have donated USD10 for every completed customer survey to Haligi ng Bata, Inc. to support those devastated by Typhoon Ulysses and help rebuild the community that was affected in the Philippines.

In 2021, we will continue to work with local NGOs to look for ways we can increase the living standards of those in rural areas and provide education assistance to children in impoverished areas.







## Contributing back to the backbone of shipping, the seafarers

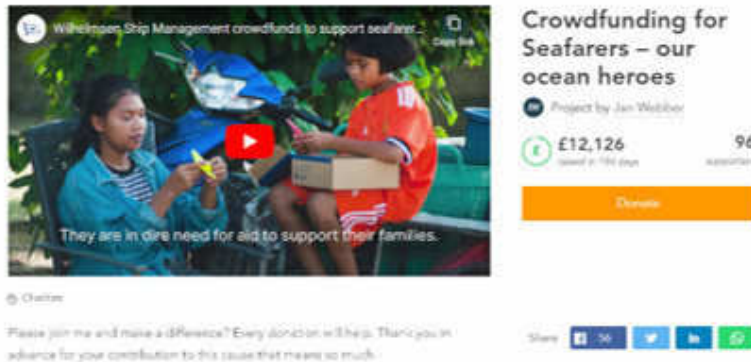
### Fund raising for seafarers

In May 2020, we launched a crowdfunding initiative to support Mission to Seafarers (MtS) to help seafarers affected by the pandemic. Funds raised will largely go to food to families of seafarers that are not able to sign on, supporting stranded seafarers and transportation for seafarers from dormitories to their homes after mandatory quarantine. To raise awareness for the fund and our seafarers' plight, the senior management team took a bike challenge and documented their accumulated distance achieved in social media.

The Wilhelmsen head office in Norway held an art sale for the employees in Lysaker where all proceeds would go to charitable causes. The paintings and drawings sold were collected throughout the years by donations, gifts, collections from vessels and even contributions from near and far. The proceeds from the art sale, together with the earlier crowdfunding activities have raised more than GBP 12,000 to be channeled to MtS. Seafarers.



Caring for seafarers  
around the world





## Colouring contest for all employees

In conjunction with World Children's Day 2020, we launched a children's colouring contest with the theme: Sustainable World We Want to Live In. We believe it is important to articulate the awareness of climate change from young.

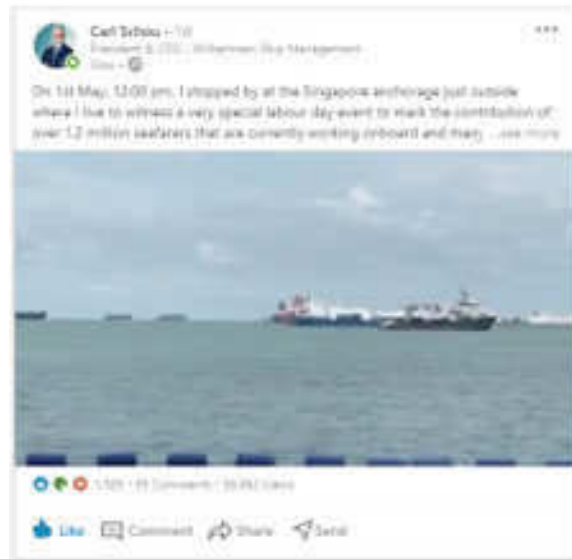




### Lobbying for recognition that seafarers are key workers

On 1 May 2020, at local time 12 noon, our fleet participated in a very special Labour Day event where all ships in port sound their horn in unison. This was initiated by International Chamber of Shipping (ICS) to mark the important contribution of 1.2 million seafarers that are currently working during this pandemic to ensure that food, fuel and supplies continue to flow for all.

Our CEO has been consistently speaking to several media including Tradewinds, Splash and Bloomberg to raise this awareness. We have also published several videos and messages through social media channels to amplify the message.









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# Environment

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# Environment

Our focus is simple: to manage and reduce our environmental footprint. This includes our ambition to reduce carbon emissions and addressing wider industry and societal issues linked to climate action, marine litter and pollution.

To provide value to customers and reduce environmental impact, our ongoing goal is to work with customers to optimize vessel and voyage operations; and collaborate on the development of alternative fuels including hydrogen.

We actively promote responsible consumption and recycling programs onboard and onshore. A way to reduce plastics in vessel operations was by introducing requirements towards suppliers to reduce single use plastics in the maritime industry. Crew on 96 managed vessels were provided with steel drinking bottles and we showed our support to IMPA Save's call for all owners and operators to reduce single use plastics.





13 CLIMATE ACTION



## ENVIRONMENT

### Emissions

## TARGET 2020

Measure GHG emissions and define targets and activities based on this.

Work on three strategic focus areas: decarbonisation of shipping; renewable energy transition; and reducing marine litter and pollution.

## RESULT 2020

Incomplete. Strategic alignment and consolidation framework required.

Strategic focus areas embedded in company strategy. See "Innovation" section.

## TARGET 2021

1. Implement a common greenhouse gas (GHG) emissions reporting framework and system.
2. Establish appropriate GHG emission reduction targets to direct activities within the company.

Continue to progress our investments, projects and other innovations in line with our strategy.

14 LIFE BELOW WATER



## ENVIRONMENT

### Waste & Recycling

## TARGET 2020

Measure plastics footprint and define targets and activities based on this.

Promote responsible consumption and recycling programs onboard and onshore.

## RESULT 2020

Incomplete. Strategic alignment and consolidation framework required.

We held campaigns to raise awareness on responsible consumption of plastic onboard and onshore. We have provided steel water bottles to seafarers on our managed vessels and silicone cups for employees on shore as alternative to plastic water bottles.

## TARGET 2021

1. Implement a common waste reporting framework and system.
2. Establish appropriate targets to direct activities within the company, guided by circularity principles.

Continue to progress in distributing steel water bottles on our managed vessels and promote recycling campaigns onboard.

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# Emissions

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## 4.1

The International Maritime Organization (IMO) has set out an ambitious strategy to reduce greenhouse gas (GHG) emissions in the international shipping sector to meet the Paris Agreement goals. It is our ongoing goal to reduce the environmental impact of the vessels we manage and also our business operations. We aim to solidify our role in helping customers transition to greener goals and optimizing maritime trade operations.

## Environmental reporting and disclosures

Wilhelmsen is committed to climate action and has made significant investments to contribute to the energy transition and decarbonisation of shipping (see Innovation in this report). We have also localised activities in our offices and sites to reduce energy consumption and waste.

In 2021, Wilhelmsen group will complete the required work to systematically account for and manage our group greenhouse gases (GHG) emissions inventory. We will implement a common greenhouse gas (GHG) emissions reporting framework and system for all entities where we have more than 50% ownership. In addition, we will establish appropriate GHG emission reduction targets to direct activities across our entities. Wilhelmsen Ship Management will implement a common waste reporting framework and system, and establish appropriate targets guided by the Group.

## Climate risk

Wilhelmsen Group remains exposed to climate risk on a general basis and related to specific group companies.

Physical risks related to the maritime services and supply services assets and operations are considered to be medium to long term risk.

Transition risk related to the group are considered to be more short to medium term. This includes regulatory, reputational, market, and technology risks.

The energy transition and the decarbonisation of shipping are the backdrop for the transition risks for the group, and also present significant opportunities.

The IMO's GHG emissions ambition, coupled with the enabling measures for the European Green Deal, other regional and local government's climate measures and energy transition priorities, as well as the finance sector's increased attention on environmental, social, and governance (ESG) issues, all exemplify the changing landscape for Wilhelmsen and the group companies.

The work to identify, measure and manage climate risk will continue, building on the recommendations from the Task force on Climate-related Financial Disclosures (TCFD).

In 2020, our office in Lysaker, Norway was certified according to the Eco Lighthouse certification scheme.



The sustainability of the ocean is a subject close to our heart. Our onboard waste management processes are in compliance with the Convention for Prevention of Marine Pollution (MARPOL), Ballast Water Management Convention (BWMC) and The International Convention on Oil Pollution Preparedness (OPRC). We aim to reduce our non-recyclable consumption and increase our recycling initiatives beyond industry standards.

96 vessels have been supplied with steel water bottles to reduce single-use plastic water bottles onboard. To avoid carbon miles, we restricted distribution of the steel bottles at key distribution locations where our vessels call most frequently. Campaigns were launched to promote drinking from water dispensers onboard. We have begun a benchmarking exercise to reduce the volume of plastic bottles procured per vessel. These are management-driven approaches to drive consistent messages to all stakeholders.

Onshore employees were given silicone cups as an alternative to plastic bottles so they can carry the collapsible cups with them to takeaway drinks.

In 2021, we will continue the distribution of steel bottles to vessels which have yet to make their collection.

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# Waste & Recycling

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4.2





**YOUR CHOICE MATTERS  
FOR THE FUTURE  
GENERATION**



**WILLBROS Ship Management**

**Not all plastics are recyclable**  
Plastic water bottles consumed onboard may not be recycled appropriately by port reception.

**#makingadifference**  
Your action makes a difference. By choosing to drink from reusable water dispensers onboard, you can help reduce the number of plastic water bottles consumed.

**It is our personal gift to you**  
Each crew will be given a steel water bottle. You may take this bottle along with you when you sign off, please bring them onboard when you sign on again.

**We hope you will choose to make a conscious decision to contribute to a sustainable environment for your children and generations to come.**









# Trade & Customer

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# Trade & Customer

We aim to be seen as a market leader in ethical and responsible practices. Our focus is in enabling our employees to deliver the best customer experience in compliance with our code of conduct. In addition, being a responsible trade partner in the industry that only engages in fair trade.

The COVID-19 situation has been a challenge during 2020 for compliance activities that require travel and physical presence at our locations, such as investigations and audits. Our scheduled internal business standards audits were postponed due to the situation, and a follow up of potential irregularities was conducted by providing guidance and instructions to local and regional resources.

During the year, we advanced our 2019 commitment to enhance the monitoring of facilitation payments – our goal is to eliminate all facilitation payments in line with our partnership with MACN (Maritime Anti Corruption Network).

In 2020, Wilhelmsen Group ensured GDPR practices have been in place and managed through our internal network of personal data protection administrators. The global data protection officer processed 30 enquiries and incidents, approximately half compared to the previous year. In 2021, we will conduct an audit of GDPR compliance and address findings.





## TRADE & CUSTOMER

## TARGET 2020

## RESULT 2020

## TARGET 2021

### Cyber Security

100% completion rate in cyber security training.

99% completion rate in cyber security training.

100% completion rate for cyber security awareness training.

Establish cyber security framework based on NIST CSF and CIS controls.

Framework in place.

Continuous improvement in cyber security maturity.

Continue to be committed to protect the data that we collect and work with. Greater focus on empowering employees and crew with the right knowledge and tools to heighten their risk mitigation behaviour.

Heighten awareness of cybersecurity for all employees, customers and suppliers.

### Ethics and Anti-corruption

We are guided by our policies on ethics and anti-corruption. Efforts are focused on strengthening responsible business culture.

- 92% completion rate for business training standards for seafarers
- 84% completion rate for business training standards for Wilhelmsen group onshore employees

- 100% completion rate for business training standards for seafarers and onshore employees



## TRADE & CUSTOMER

## TARGET 2020

## RESULT 2020

## TARGET 2021

### Responsible procurement

We are committed to work with suppliers that has demonstrated compliance in our assessment process. Active engagement with suppliers to create a sustainable value chain for the maritime industry.

- Audits were less than planned as a result of COVID-19 restrictions
- 600 suppliers screened using the sustainability criteria with 8 audits completed.

- Continued screening of new suppliers.
- Audits as per schedule as far as practicable.



## TRADE & CUSTOMER

## TARGET 2020

## RESULT 2020

## TARGET 2021

### Innovation

We innovate to bring the latest technology to assist ship owners with meeting their goal of reducing carbon footprint.

- Wilhelmsen has been awarded the Hyship project to focus on development and commercialization of hydrogen as a carbon-neutral fuel.
- Delivery of Yara Birkeland, first autonomous vessel, through Massterly.

Continue to progress on Wilhelmsen group's investments, projects and other innovations in line with the group strategy.

# Cyber Security

## 5.1

Cyber security is in essence IT security. We take a holistic and multi-layered approach to systematically reduce cyber security risks onshore and onboard the vessels we manage. We work closely with ship owners, ships' crew and employees onshore to enforce and build a strong cyber protection.

Our focus is to implement a cyber security framework, strengthen operational measures, and increase employee competence in cyber risk prevention behavior.

We have continued to increase our cyber security maturity during 2020. During the year, we continued with the implementation of a Wilhelmsen Cyber Security Framework building on the National Institute of Technology (NIST) Cyber Security Framework (CSF) and Center for Internet Security (CIS) Controls.

24/7 security operations capabilities have been strengthened by hiring resources and partnering with one of Europe's largest managed security service providers. A vulnerability assessment of all internet facing resources has been conducted and internal guidelines for secure application development put in place.

We are also focused on preparations to meet with IMO 2021 Maritime Cyber Risk Management in Safety Management Systems requirements, which came into force on 1 January 2021.

A mandatory cyber security awareness program was conducted during the year for all employees, with a 95% completion rate by year end. We have also extended the training to crew to manage the intricacies of onboard technology and report anomalies to their respective vessel IT managers.

In 2021, we will continue to strengthen our cyber security maturity by a continued focus on governance, risk management, security awareness, security architecture and security operations.

During the year, GDPR practices have been in place and managed through our internal network of personal data protection administrators. In 2021, we will conduct an audit of GDPR compliance and address findings.





We hosted a webinar on cyber security for customers to raise their awareness on the potential cyber security threat that they may face. The webinar was open to all employees of our customers' organizations focusing on strengthening the first level of defense against cyber attacks, which is the human element. Over 140 participants joined the webinar.

With this webinar, we hope to do our part in collectively lift the industry's defense against cyber security crime.

### Cyber security campaign

	2020	2019	2018
Cyber security training completion rate for all employees	99%	70%	n/a

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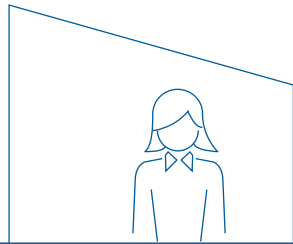
# Ethics & Anti-corruption

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## 5.2

Our anti-corruption efforts are based on six principles critical to secure our employees active participation: Top-level Commitment, Proportionate Procedures, Risk Assessment, Communication including training, Due Diligence, Monitoring and Review.

Doing the right things the right way is the foundation of our governing elements and culture, and we have the same expectation of our partners and suppliers. To encourage this, our approach is to work consistently on business standards; actively managing and encouraging suppliers on their working conditions and business standards and partnering with other serious actors to lift the standards in the industry. Our work in the Maritime Anti-corruption Network (MACN) is one of the ways how we amplify our impact on the fight against corruption.



**MACN**  
Maritime Anti-Corruption Network

## Trainings and campaigns

<i>Business standards completion rate</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
Onshore employees	84%*	96%	90%
Seafarers	92%	64%	96%

\* Wilhelmsen Group figures

## Governance\*

<i>Cases reported</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>
Whistle blowing channel	19	19	24
GDPR	67	677	n/a

\* Wilhelmsen Group figures

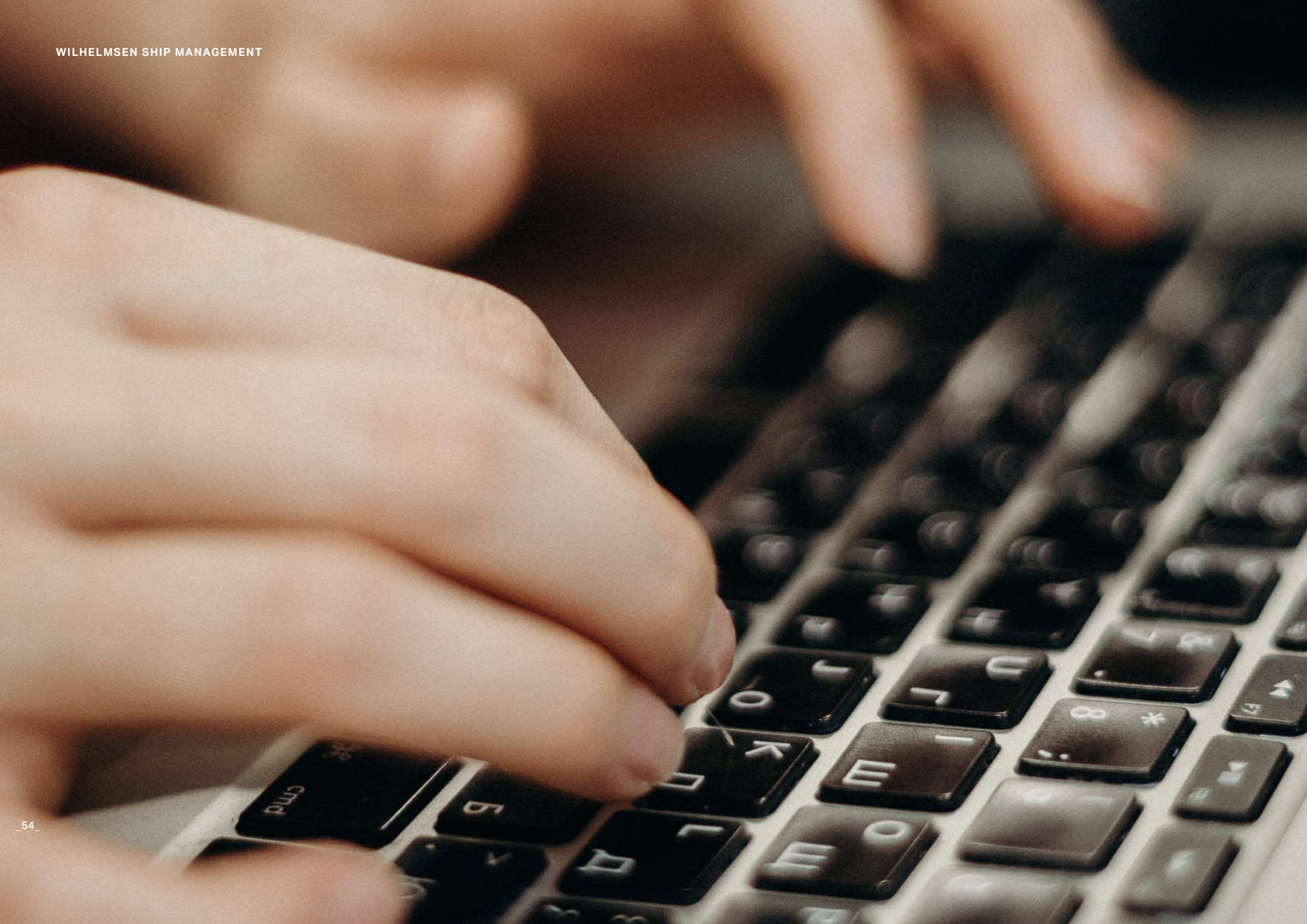
Our focus is to improve identification and follow up of compliance deviations and increase employee competence in responsible business practice.

The COVID-19 situation has been a challenge during 2020 for compliance activities that require travel and physical presence at our locations, such as investigations and audits. Our scheduled internal business standards audits were postponed due to the situation, and a follow up of potential irregularities was conducted by providing guidance and instructions to local and regional resources. As in previous years, internal fraud cases have been detected, with one case reported to the police and currently being investigated.

During the year, we advanced our 2019 commitment to enhance the monitoring of facilitation payments – our goal is to eliminate all facilitation payments in line with our partnership with MACN (Maritime Anti Corruption Network).

In 2021, we will continue building a whistleblowing culture and the business standards audits will be prioritised and commence as soon as the Covid-19 situation allows. To continue competence building with our employees, a new business standards program will be rolled out in 2021.





## 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.



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# Responsible Procurement

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## 5.3

We have implemented strict requirements from suppliers to vessels regarding plastics and initiated an industry-wide roundtable on reducing plastics in vessel operations. We aim to influence the entire value chain towards a sustainable maritime trade. By increasing engagement with our suppliers and business partners we can impart our responsible stewardship values and business ethics.

Within the company, we work 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.

In 2021, we will continue to engage with suppliers and apply sustainability criteria in screening of new suppliers and auditing of current suppliers where practicable.

With restrictions applied and travel bans, onsite vendor audits were put on hold. Virtual and remote assessment and audit processes were then put in place and a lesser than planned number of audits were conducted in the last two quarters of 2020. The audits address quality, environmental, social and governance aspects, and a detailed focus on plastic waste.



## Suppliers

	2020	2019	2018
Number of suppliers - approximate	2,686	2,701	2,224
Number of suppliers screened with sustainability criteria	600	644	450
Number of supplier audits including sustainability criteria	8	4	n/a

5.4

# Innovation

Embracing sustainable innovation through new technology and finding new ways of working are essential for us to continue shaping the maritime industry. We are not a tech company, but technology-driven to improve our offerings to customers and the maritime industry as a whole.

Our approach to innovation is to invest and develop new business models, technologies, processes and capabilities that result in sustainable product and service offerings, and the enabling infrastructure.

Sustainable innovation is required to address the challenges of energy transition and decarbonisation of shipping and meet the needs of our customers for their daily operations.

## Development of hydrogen for marine applications

Hydrogen is light, storable, energy-dense, and produces no direct emissions of pollutants or greenhouse gases. In order to decarbonize the shipping sector, hydrogen can be used to progressively replace fossil fuels on vessels.

In 2020, Wilhelmsen led a Europe funded project call Hyship – a consortium of 14 European partners who will demonstrate liquid hydrogen as fuel. This project has been awarded US\$25 Million by the Norwegian government-owned organization Enova.

### *Project feature:*

Topeka is a zero-emission prototype vessel running on liquid green hydrogen. The prototype is designed as an open-deck roll-on/roll-off (RoRo) vessel, the 2,500m<sup>2</sup> vessel is capable of handling containers and trailers carrying both liquid and compressed hydrogen. The prototype will run on a 1MWh battery pack and a specialized 3MW hydrogen fuel cell charged by power from the shore.



## Battery operated autonomous vessels for short-sea shipping. Wilhelmsen Ship Management aims to be the world's first ship management company to operate unmanned electric vessels for commercial use.

In November 2020, the world's first autonomous cargo vessel made her maiden voyage. Wilhelmsen is one of the reason why this vision became reality. Since 2017, Wilhelmsen, in partnership with Yara and Kongsberg, jointly developed this concept into reality. The Norwegian Government awarded a grant of NOK133.6m towards the construction of the ship; about a third of the total cost. A vessel remote control centre has been established in the Wilhelmsen headoffice for the management of Yara Birkeland.

### *Project feature:*

Yara Birkeland is a zero emission container vessel, 80 metres (260 ft) long, with a beam of 14.8 metres (49 ft) and a depth of 12 metres (39 ft). It will have a draught of 6 metres (20 ft). It is propelled by electric motors driving two azimuth pods and two tunnel thrusters. Batteries rated at 7.0-9.0 MWh power the electric motors, giving it an energy optimal speed of 6 knots (11 km/h) and a maximum speed of 10 knots (19 km/h). It has a capacity of 120 TEU. The vessel will initially undertake manned sailings, gradually switching to fully autonomous mode by 2022.



In 2020, Wilhelmsen have been selected by the leading Norwegian food grocery distributor ASKO to operate two new vessels equipped with autonomy technology from Kongsberg Maritime. The vessels will be equipped with the technology required for zero emission and unmanned operation by Kongsberg Maritime while Wilhelmsen oversees ship management and safe operations from their shore-based Remote Operations Centre.

### *Project feature:*

The ASKO vessels are RORO (Roll on, Roll off) vessels measuring at 66 metres long, with a beam of 15 metres that can load, carry and discharge 16 EU-spec trailers. The vessels are constructed in accordance with the rules and regulations of DNV GL Classification Society with the Class notation: 1A1 + Battery Power + RP (1,40) + R3 + General Cargo + BIS. Vessel construction is taking place at the state-owned Cochin Shipyard in India. Both vessels will initially operate with reduced crew from 2022, before moving towards unmanned voyages.









# New Materiality Assessment



## 2018 material topics description

Material topic	What the topic covers
Ethics and anti-corruption	Standards and practices addressing business ethics and anti-corruption. This includes channels for raising anonymous concerns from internal or external stakeholders (whistleblowing).
Health & safety	Standards and practices addressing operational and process safety, worker welfare, accident prevention, and lost time injuries.
Cyber security and data protection	Confidentiality, integrity, and availability of data and resources to secure against internal and external threats. Lawful protection of personal data related to employees and 3rd parties.
Responsible procurement	Standards and practices addressing business ethics and anti-corruption, employment conditions, competence development, health and safety, diversity and inclusion, emissions, waste and recycling.
Diversity & inclusion	Equal treatment and non-discrimination practices related to gender, nationality, age, religion, sexual orientation, or other.
Competence development	Training and development initiatives in new fields of expertise enabling the company to meet future demands.
Emissions	Direct and indirect emissions from own and customer operations (GHG, SOx, NOx).
Employment conditions	Standards and practices that addressing human rights, working conditions, 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.
Innovation	Investment and development of new technologies, processes and competencies that promote sustainable products and services (e.g. through digitalisation, electrification, autonomy, etc).
Responsible ownership	Sourcing, investing and managing investments in a way that is consistent with our sustainability approach. Exercising investor influence on sustainability issues.
Transparency	Transparency on sustainability targets, activities and results. Engagement of stakeholders for context and expectations.
Waste and recycling	Lifecycle asset and product management including material selection, waste management and recycling.
Energy use	Energy consumption in own operations from non-renewable and renewable sources.
Tax transparency	Compliance with tax regulations and tax reporting including following OECD guidelines.
Lobbying	Activities towards governments and regulatory agencies with the aim of influencing regulations.
Local communities	Local job creation and infrastructure investment. Support for human rights, knowledge sharing, and local sponsorships.

Why the topic is material	Topic boundary
Our various stakeholders depend on us being a transparent and compliant partner. We expect the same of our partners and suppliers in order to do business.	Wilhelmsen group, customers, suppliers and partners
An engaging and safe working environment at sea and on shore is a prerequisite for an efficient, sustainable and profitable business. We are committed to maintaining high health and safety standards and to prevent accidents and dangerous situations for our employees.	Wilhelmsen group, customers, suppliers and partners
Beyond good practise, we see a competitive advantage in professionally managing cyber security threats and responding to increasing requirements of our customers.	Wilhelmsen group and customers
We need to ensure our sustainability expectations are clear for our suppliers and that products and services are compliant with our standards.	Wilhelmsen group, suppliers and partners
We need to retain and attract a diverse and talented workforce with the right competence, experience, skills, and motivation.	Wilhelmsen group
We continually seek to renew ourselves, to work smarter and improve everything we do. As a result, we are able to recognise opportunities and develop new and innovative solutions.	Wilhelmsen group
Stronger environmental focus in the general population and the maritime industry as well as regulatory requirements requires products and solutions with lower or no emissions.	Wilhelmsen group and customers
We need to continuously work on providing an engaging and safe work environment where equal opportunities are available for all.	Wilhelmsen group
As a shaper of the maritime industry, we need to pursue initiatives aimed at building and meeting our stakeholders' ever-changing needs.	Wilhelmsen group, customers, suppliers and partners
We need to make clear expectations for complying with Wilhelmsen standards to majority owned subsidiaries and other investments.	Wilhelmsen group
Stakeholders expect clear information about our impacts and actions.	Wilhelmsen group
Growing focus particularly on ship recycling, plastics and full product lifecycle accountability in the general population and the maritime industry. Potential for some regulatory changes requiring new product and service offerings for the maritime industry.	Wilhelmsen group, suppliers and partners
Reduced consumption has positive environmental outcomes and potential cost savings. Beyond our own operations, we recognise the emerging market opportunities for renewable energy sources in the maritime industry.	Wilhelmsen group
Well-functioning public institutions are an essential foundation for doing business and holding a responsible approach to taxation is important for the group's long-term activities in the countries we operate.	Wilhelmsen group
Stakeholders expect responsible lobbying practices.	Wilhelmsen group
We have employees in 255 offices and 67 countries around the world. To do business and access the best local talent, we need to ensure a positive contribution to the development in these communities.	Wilhelmsen group

## Strategic reviews

In 2020, Wilhelmsen Group completed a review of the materiality assessment to account for changes to the internal and external context since 2018. There have been changes to our highest materiality issues. We have added wellness to health and safety, based on the increased focus on employee and seafarer wellbeing activities. We have also included business offering and model innovation to reflect the transition required for our business to grow sustainably. Our new materiality assessment also reflects the alignment of our activities towards the UN Sustainable Development Goals (SDGs).

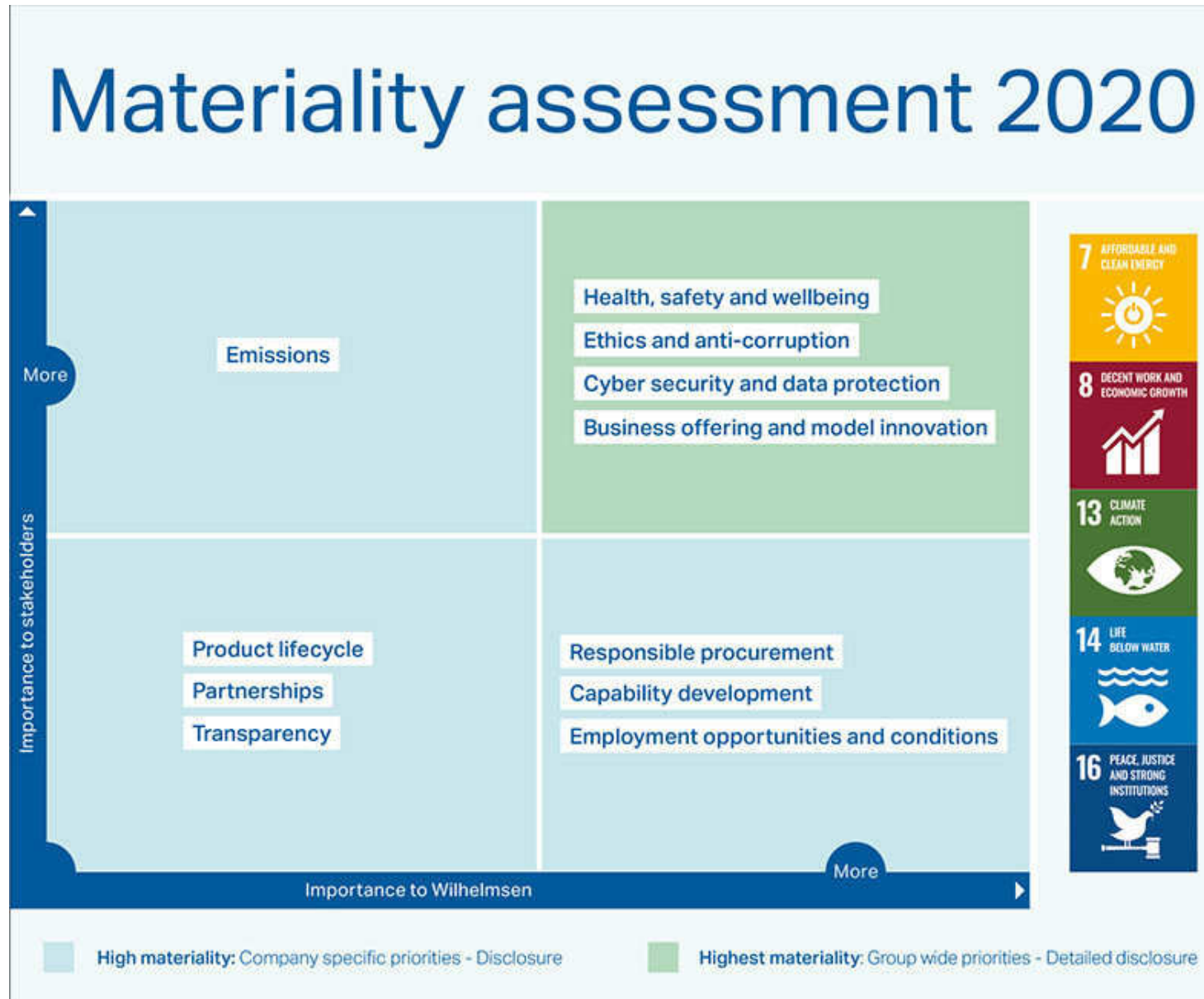
Our group strategy was reviewed in 2020, with particular focus on climate risks and opportunities related to the energy transition and the decarbonisation of shipping. In 2021, we will continue to assess climate risk in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and make relevant disclosures to stakeholders.



## New 2020 materiality assessment

As a result of the assessment, we identified 11 material areas, four (4) of which were regarded as highest materiality topics:

- ethics and anti-corruption
- health, safety and wellness
- cyber security and data protection
- business offering and model innovation





## 2020 Materiality topics description

Material topic	What the topic covers
Business offering and model innovation	Investment and development of new business models, technologies, processes and capabilities that result in sustainable product and service offerings and the enabling infrastructure.
Capability development	Training and development initiatives in new fields of expertise enabling the company to meet future demands. Particular attention towards technological and digital capabilities based on the reliance on technology for business continuity and resilience.
Cyber security and data protection	Protecting the confidentiality, integrity, and availability of information, which includes systems, hardware, and networks that process, store, and transmit the information. Lawful protection of personal data related to employees and 3rd parties.
Emissions	Air emissions from own and customer operations (GHG, SOx, NOx, PM, black carbon).
Employment opportunities and conditions	Local job creation and infrastructure investment. Human rights, working conditions, equal treatment and non-discrimination practices, labor standards, and labor relations including freedom of association, collective bargaining, working hours, rest, minimum age, fair wages, and adherence to the ILO Maritime Labor Convention.
Ethics and anti-corruption	Standards and practices addressing business ethics and anti-corruption. This includes channels for raising anonymous concerns from internal or external stakeholders (whistleblowing).
Health, safety and wellness	Standards and practices addressing physical and psychosocial health of employees; operational and process safety including accident prevention; and wellbeing of employees and contractors.
Partnerships	Engagement and partnership activities with the public sector, communities, other bodies and associations with the purpose of promoting, implementing and demonstrating sustainable ways of working.
Product lifecycle	Lifecycle asset and product management including material selection, waste management and recycling. Plastics; marine litter and pollution; and ship recycling are included in this issue.
Responsible procurement	Standards and practices addressing business ethics and anti-corruption, employment conditions, competence development, health and safety, diversity and inclusion, emissions, waste and recycling.
Transparency	Transparency on sustainability targets, activities and results. Engagement of stakeholders for context and expectations. Compliance with tax regulations and tax reporting including following OECD guidelines.

Why the topic is material	Topic boundary
As a shaper of the maritime industry, we need to pursue initiatives aimed at building and meeting our stakeholders' ever-changing needs. Areas of innovation address customer needs and requirements for daily operations; and industry issues such as the decarbonization of shipping, energy transition and renewable energy, marine litter and pollution.	Wilhelmsen group, customers, suppliers and partners
We continually seek to renew ourselves, to work smarter and improve everything we do. As a result, we are able to recognise opportunities and develop new and innovative solutions.	Wilhelmsen group
Beyond good practise, we see a competitive advantage in professionally managing cyber security threats and responding to increasing requirements of our customers.	Wilhelmsen group, customers, suppliers and partners
Climate change, stronger environmental focus, as well as regulatory requirements requires products and solutions with lower or no emissions. Addressing and reducing energy consumption also has positive environmental outcomes and potential cost savings.	Wilhelmsen group, customers, suppliers and partners
We have employees in 60+ countries around the world. To do business and access the best local talent, we need to ensure a positive contribution to the development in these communities. We also need to retain and attract a diverse and talented workforce with the right competence, experience, skills, and motivation. We need to continuously work on providing an engaging and safe work environment where equal opportunities are available for all.	Wilhelmsen group
Our various stakeholders depend on us being a transparent and compliant partner. We expect the same of our partners and suppliers in order to do business.	Wilhelmsen group, customers, suppliers and partners
An engaging and safe working environment at sea and on shore is a prerequisite for an efficient, sustainable and profitable business. We are committed to maintaining high health, safety and wellness standards and to prevent accidents and dangerous situations for our employees.	Wilhelmsen group, customers, suppliers and partners
We need to be a responsible employer and partner in all our activities including activities towards governments and regulatory agencies with the aim of influencing regulations.	Wilhelmsen group, customers, suppliers and partners
Pollution, stronger environmental focus, full asset / product lifecycle accountability, as well as regulatory requirements requires new product and service offerings for the maritime industry.	Wilhelmsen group, customers, suppliers and partners
We need to ensure our sustainability expectations are clear for our suppliers and that products and services are compliant with our standards.	Wilhelmsen group, customers, suppliers and partners
Stakeholders expect clear information about our impacts and actions. Well-functioning public institutions are an essential foundation for doing business, and holding a responsible approach to taxation is important for the group's long-term activities in the countries we operate.	Wilhelmsen group

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