

Sustainability Report 2021

Go Green with Blue Water Shipping A/S

The infographic displays the 17 Sustainable Development Goals (SDGs) in a row of vertical bars. Each bar is a different color and contains a number, a title, and an icon. The goals are: 1. NO POVERTY (red bar, icon of people), 2. ZERO HUNGER (orange bar, icon of a bowl), 3. GOOD HEALTH AND WELL-BEING (green bar, icon of a heart), 4. QUALITY EDUCATION (red bar, icon of a book), 5. GENDER EQUALITY (orange-red bar, icon of a female symbol), 6. CLEAN WATER AND SANITATION (light blue bar, icon of a water tap), 7. AFFORDABLE AND CLEAN ENERGY (yellow bar, icon of a sun), 8. DECENT WORK AND ECONOMIC GROWTH (dark red bar, icon of a bar chart), 9. INDUSTRY, INNOVATION AND INFRASTRUCTURE (orange bar, icon of cubes), 10. REDUCED INEQUALITIES (pink bar, icon of a balance scale), 11. SUSTAINABLE CITIES AND COMMUNITIES (orange bar, icon of buildings), 12. RESPONSIBLE CONSUMPTION AND PRODUCTION (brown bar, icon of a circular arrow), 13. CLIMATE ACTION (dark green bar, icon of a globe), 14. LIFE BELOW WATER (blue bar, icon of a fish), 15. LIFE ON LAND (green bar, icon of a tree), 16. PEACE, JUSTICE AND STRONG INSTITUTIONS (dark blue bar, icon of a scale), 17. PARTNERSHIPS FOR THE GOALS (dark blue bar, icon of interlocking circles).

THE GLOBAL GOALS
For Sustainable Development

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Introduction

This Sustainability Report covers the relevant and significant sustainability activities and initiatives in Blue Water Shipping A/S for the financial year 1 January 2021 to 31 December 2021.

The report covers activities globally and gives our customers, partners and stakeholders an overview of our performance related to the ESG agenda (environment, social and governance).

This report includes our Statutory Statement pursuant to section 99a of the Danish Financial Statements Act.

CEO letter

As a global company with roots in Denmark, Blue Water focuses on being a constructive co-player in society and when conducting business. We express opinions, ask questions and contribute towards positive changes and improvements benefitting our surrounding environment.

While international shipping is a large and growing source of greenhouse gas emissions, we recognise that the sector – and our company - play a crucial role in solving the emission reduction challenges on a global scale. In addition, we also have a major impact on society's social challenges through the many jobs we create as a nationwide company. Thus, we have a great responsibility to identify and manage our business impacts, both positive and negative, on people as well as on our planet.

Today, we have more opportunities than ever to work with employees, customers, governments, NGOs and other corporations – locally and globally - to drive real and needed change and proactively build a more sustainable future. And now is the time to act.

That is why it is of the utmost importance that we create solutions together and build our Sustainability Strategy

upon this foundation. At Blue Water, we believe that **innovation, collaboration, and diversity** lay the foundation for solving future problems, ensuring environmental, social, and economic sustainability.

A challenging but strong year for Blue Water

2021 has been a very special year due to the global pandemic exposing both strengths and weaknesses in our societies. While our top priority has been to ensure a healthy and safe working environment for our employees at all our offices, we have also managed to make significant progress within other areas of sustainability.

Across business units we have developed and implemented new initiatives and activities and strengthened our in-house competencies supporting our goal for providing the best complete and customised transport and logistics solutions to our customers - anywhere in the world.

In addition, we continue to focus on delivering and developing climate-friendly solutions, and we work purposefully to reduce our negative impact on people and planet. This includes reduction of greenhouse gas emissions guided by a clearly defined pathway for reducing our emissions in line with the goals of the Paris Agreement and the Science-Based Targets Initiatives (SBTi) criteria.

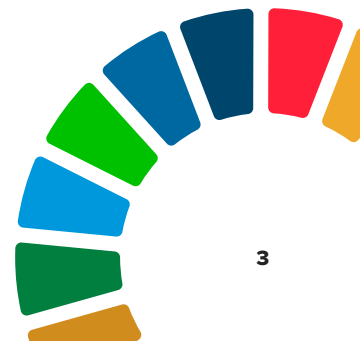
While we are in the process of a transformation to enhance and strengthen the backbone of our company, growth will head our agenda the coming years across all business units. We shall see acquisitions, new offices, facilities, and activities – all initiatives that will make Blue Water even stronger and more profitable in a sustainable way.

I am proud to share some of our most important sustainability achievements of 2021 in this report, which I hope you will find enjoyable and inspirational in equal measure.

Sincerely



Søren Nørgaard Thomsen
CEO, Blue Water Shipping



Blue Water – a local company with global reach

Blue Water was founded in 1972 with an ambition to create a local freight forwarding company driven by the purpose to provide our customers with the best service of the highest quality.

Over the years, Blue Water has expanded to not only include our 17 offices throughout Denmark, but also Blue Water offices in countries around the North Atlantic, in Western and Eastern Europe, Australia, in Central Asia and the Middle East, in the Far East, and North & South America.

Today, Blue Water is a global transport and logistics provider offering tailor-made transport and freight solutions. We handle all types of cargo - from small parcels to entire oil rigs from one continent to another.

Blue Water's services are offered worldwide through a comprehensive network of own offices and cooperation with trusted business partners.

Blue Water operates within the following business areas



Road



Sea & Air



Rail



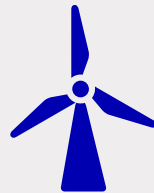
Reefer Road & Sea



Port Service



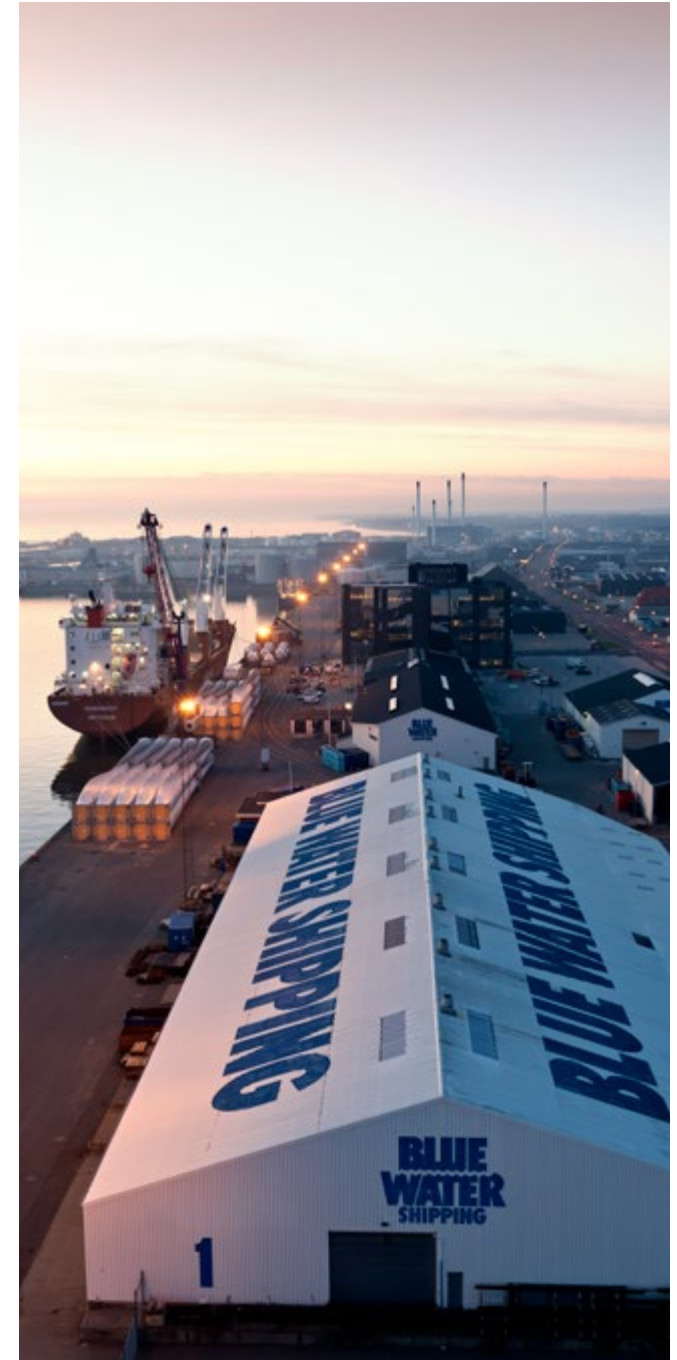
Oil, Gas & Industrial Projects



Renewables



Marine Logistics



Our responsibility

Being a credible transport and logistics supplier requires more than being able to deliver on time. It also requires that we have an attitude to the challenges that we face in our global community. We protect our values, our integrity and the world of which we are a part, and we run a business with respect for the surrounding environment and our staff. As a global player and contributor to society, we focus on enhancing our positive impact, and we work with reliable and dedicated suppliers, as we believe that the transportation and logistics industry has a common commitment.

Our mission

'Together we create solutions' is what our purpose is about, and our mission is being 'Best in Town'. Through close and long-term relationships with our clients, we add value and strive to be the preferred choice because we act with credibility and deliver unique services and tailored solutions. Blue Water strives to be an attractive workplace, and just like in the world of sports, we aim to find and develop the best talents, who – together with the experienced players – will make up the strongest team based on our unique Blue Water team spirit.

Our values

- > **We play as a team** – and we play to win
- > **The colour of service is Blue** – we work with passion to serve customers better - every day, everywhere
- > **We keep our promises** – because our business is built on trust
- > **We believe in strong and long-lasting relations** – enabling everyone to run a good business
- > **Our responsibility reaches beyond our business** – we take care of each other, our partners and society
- > **We constantly question status quo** – dedicated to improving our efficiency



Anne and Kurt Skov at Blue Water's headquarters in Esbjerg, Denmark

Blue Water Foundation

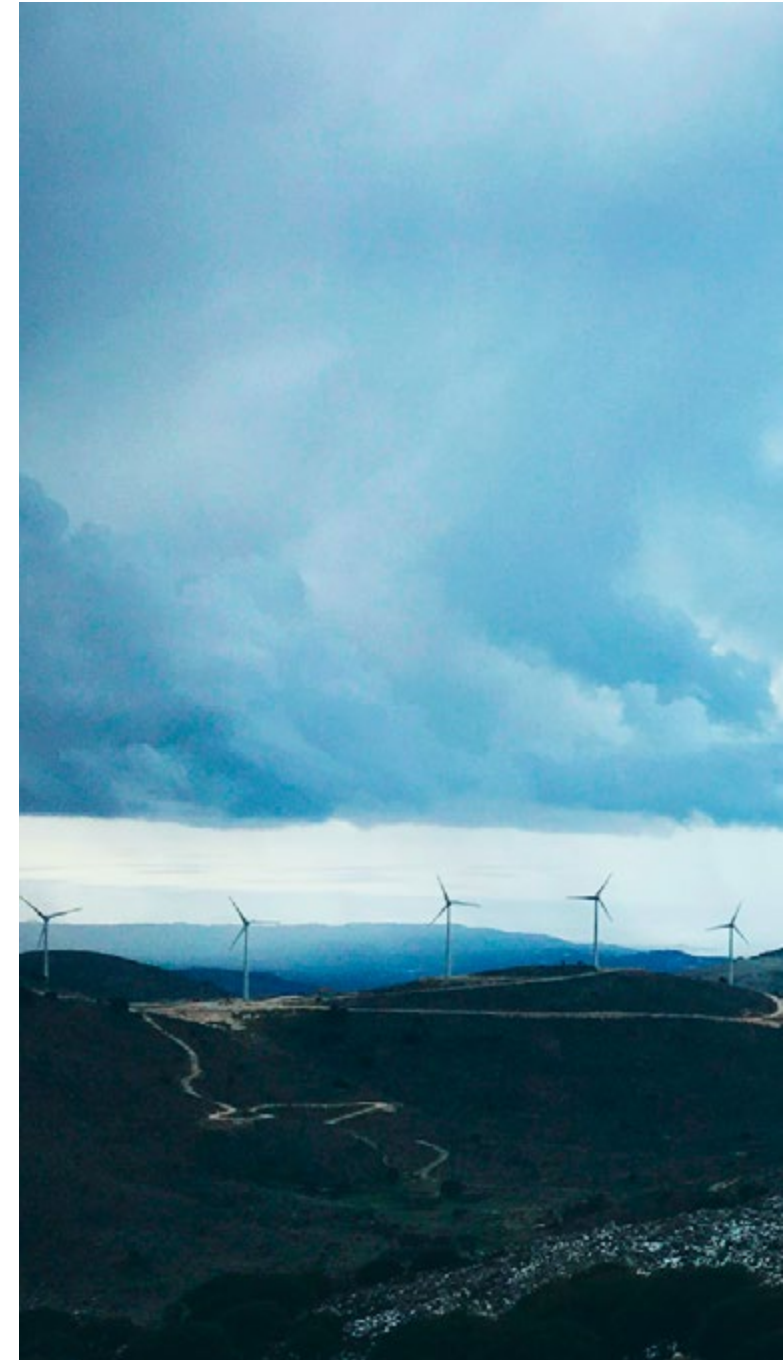
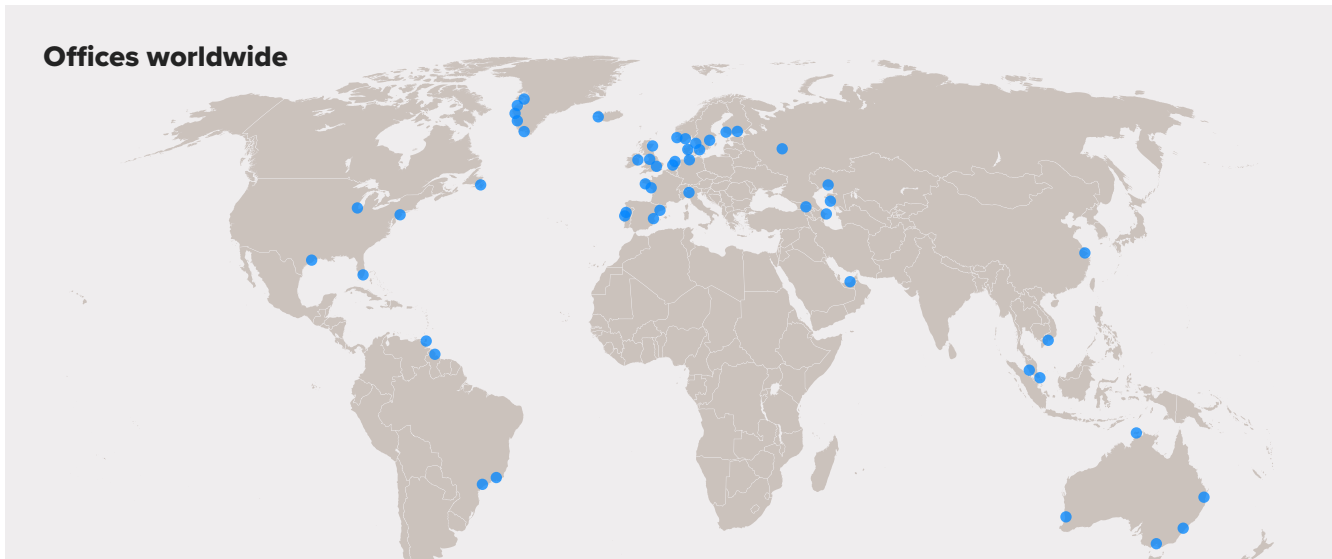
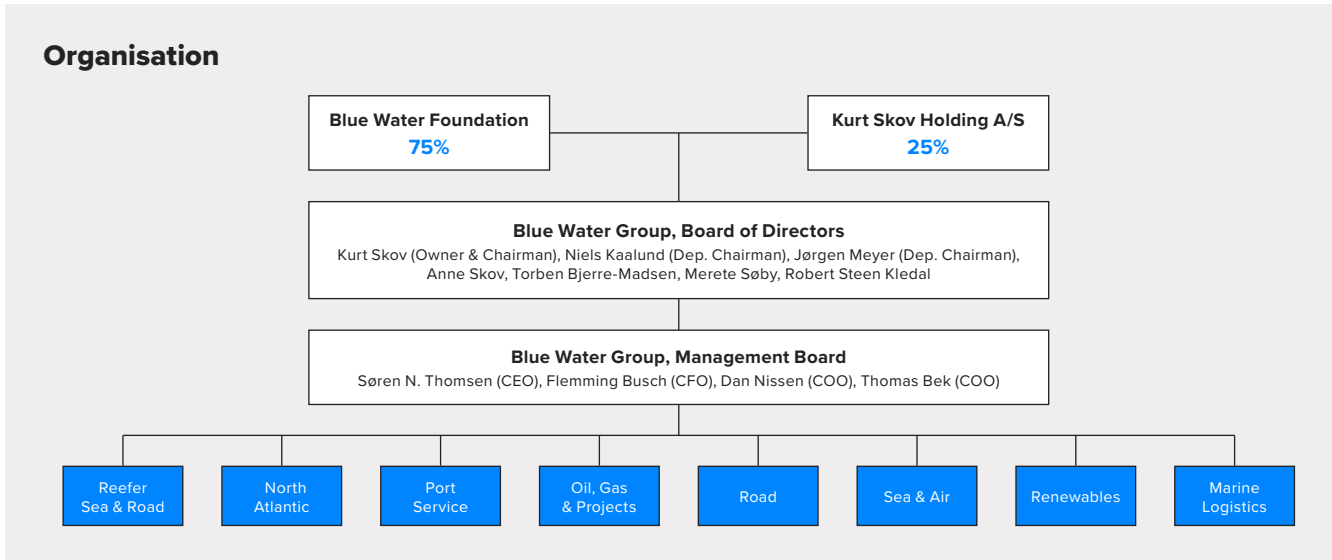
The Blue Water Foundation was established in 2007 to:

- > ensure continued existence, development and jobs
- > ensure Danish ownership based out of Esbjerg, Denmark
- > ensure against demerger or sale
- > secure Blue Water's name and identity

The primary purpose of the foundation is to help ensure the continued existence and development of the company and its operations in Denmark and internationally. If the primary purpose is fully met, the Foundation focuses on supporting non-political, scientific, humanistic, cultural, commercial, educational, humanitarian and/or social purposes.

Ownership and Support Functions

Blue Water is represented with more than 65 offices worldwide. Group Management works in close cooperation with the local management at each office, thereby combining our strong global network with our local expertise.





Global Risk Management and ESG

In an ever-changing global business environment, we are driven by making sustainable improvements for the good of the environment and society as well as for our ability to create long-term value.

We work proactively and strategically with risk management and Environmental, Social and Governance issues (ESG)

by setting priorities to meet opportunities and mitigate risks as well as reallocating resources accordingly and most efficiently.

We believe that this approach benefits the customers, employees and business services as well as supports our values of being a trustworthy company.



As sustainability becomes more and more obvious as an integrated part of any business, it naturally needs to be reflected in the governance structure and risk management systems.

By systematically identifying our environment, social and governance risks and goals we can determine where we need to focus to make our business more sustainable.

Søren Nørgaard Thomsen
CEO, Blue Water Shipping

Sustainability is a mindset and a way to do business that enable learning, innovation and creates long-term value across all our business units and company activities.

Key elements in our focus on ESG



Governance

We ensure that our Board of Directors and our Management team are aligned in the process of evaluating and acting on risk and opportunities on a corporate and enterprise level.



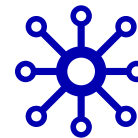
Strategy

We assess and monitor the actual and potential impact of sustainability-related issues on our business, strategy and financial forecasting through scenario-analyses on a short, medium and long-range.



Risk management

We identify, evaluate and manage sustainability-related risks and opportunities and navigate and adjust accordingly. We make sure to deliver on the necessary changes and adjustments across all dimensions of our company.



KPIs and measurable values

We continuously update the identified risks and create corrective and joint action plans for mitigation/elimination as well as measure our success based on the established KPIs.

Our Corporate Risk Management System

We work to continuously meet the standards of the High-level Structure for all ISO management systems, and we strive to give our business the best support when it comes to tools and standards.

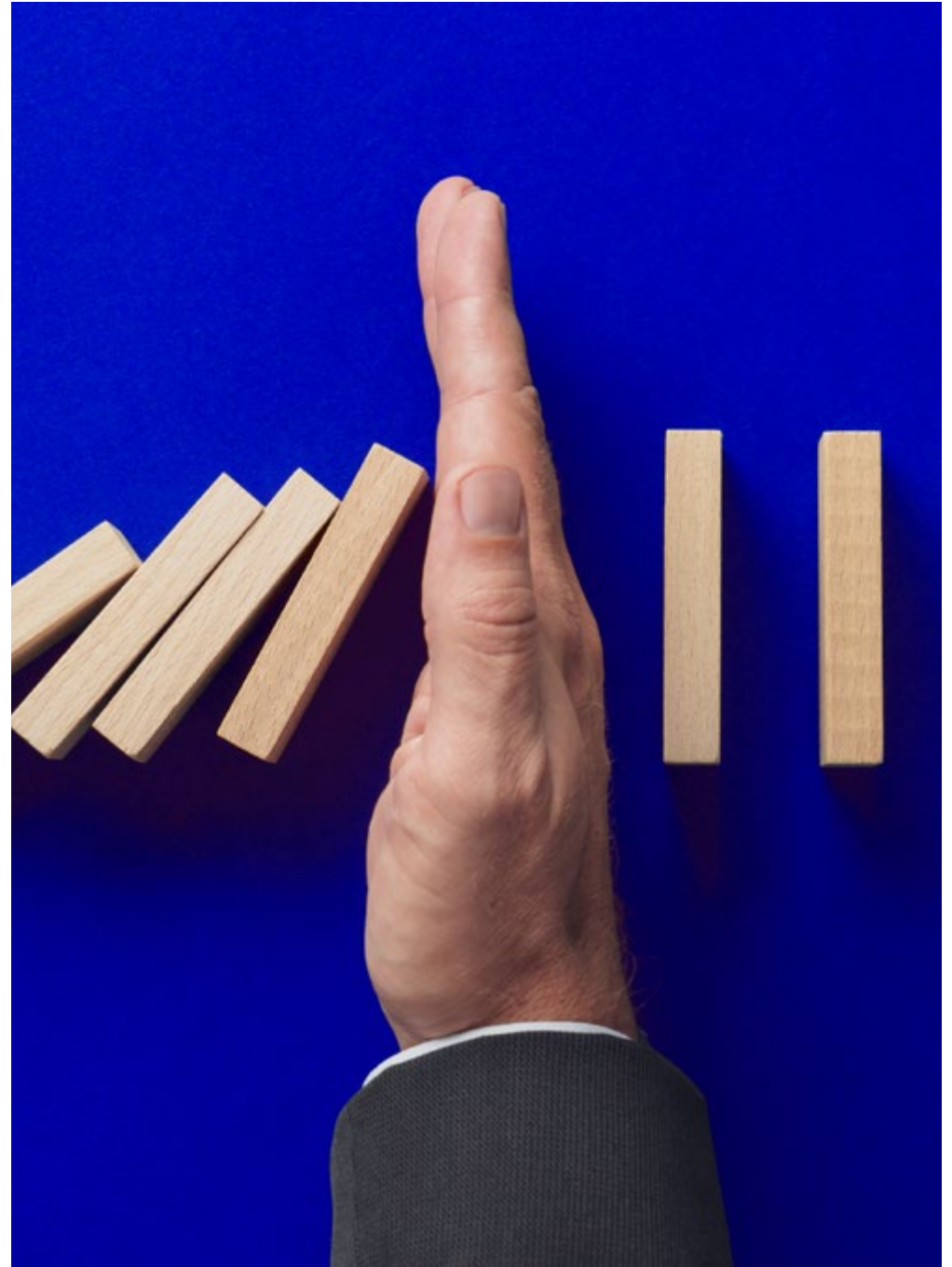
We have deployed a Corporate Risk Management System, where every Business Unit director is responsible for identifying and mapping risks and opportunities relevant for her/his unit. In addition, Business Unit directors continuously update the identified risks and make action plans for risk mitigation initiatives in the Risk Management System.

Hence, the information in the model is based on inputs from all business units covering the entire organisation and all areas of business such as health, safety, environment, compliance and finance. If we experience new demands or concerns from employees, customers, partners, suppliers and/or other stakeholders, these are assessed and documented in the Corporate Risk Management System.

Risk Reviews on Board and Management level

The risks and action plans are presented to and discussed with Management at quarterly business unit meetings complemented by a quarterly Risk Review. Thus, Management evaluates risks and opportunities and decides on future actions and KPIs on enterprise level.

The Board of Directors evaluates strategies and initiatives aimed at meeting risks and opportunities defined in the Risk Management System on an annual basis, e.g., on Executive Board Meeting.



Our Framework - The Sustainable Development Goals

At Blue Water, we want to contribute to a sustainable society, and we do our utmost to run a business in an economically, socially and environmentally sustainable way. We take strategic actions to advance broader societal goals with an emphasis on collaboration and innovation.

Through committed and competent people and a culture that promotes trust, teamwork and long-term relationships, we are dedicated to take care of each other, our partners and our surrounding society and environment.

Integrating the SDGs into our business strategy

We acknowledge that getting to grips with the Sustainable Development Targets and indicators that sit behind each goal is fundamental for our 2022-target of developing a corporate sustainability agenda and strategy. Therefore, we have reevaluated which SDGs Blue Water can best contribute to. Thus, we have focused on identifying our significant risks and potential opportunities throughout our organisation, business operations and the market. This has served as the foundation on which to define our

approach to align business activities and practice to the SDGs.

By measuring our impact and performance against each SDG and comparing our contribution as a company across different types of Goals we have outlined the SDGs, where we believe that we can make the biggest positive difference or shrink a negative impact the most. This strategical decision of a change in SDG-focus has meant the adaptation of two new SDGs (SDG #3 and #13).

The SDGs have served as a foundation for a more informed and databased dialogue with focus on solutions rather than a short-sighted conversation about products. They have provided valuable perspectives on the world in terms of opportunities as well as terms of risks of both social and environmental-related issues.

Blue Water works strategically with the following SDGs



GOAL 3:

Good Health and Well-being



GOAL 12:

Responsible Consumption and Production



GOAL 13:

Climate Action



GOAL 16:

Peace, Justice and Strong Institutions



GOAL 17:

Partnerships to achieve the Goal



Worldwide – Responsible impact on the planet
Employees – Succeed together
Suppliers – Together we create solutions
Partners – Positive impact
Customers – Mutual value

Blue Water Vision

Areas of action

Reduce own carbon footprint
 Co-development of green solutions with customers, suppliers and partners
 Energy efficient

People and Organisation
 - Health and Safety Targets
 Partnerships for distribution of humanitarian cargo

Food waste measuring
 Waste management
 Transport service solutions minimising food waste and loss

Human rights
 Non-discrimination
 Ethics Line
 Compliance

Partnerships for Sustainable Development Goals and innovation

Sustainable Development Goals

Company solutions and services



Organisation and business operations



Society



A responsible business
Company Code of Conduct
Supplier Code of Conduct

Foundation

Company Code of Conduct

Our [Code of Conduct](#) supports us in being uniform in our business approach and thereby ensuring that we always live up to our own values of high integrity and credibility.

Daily, we operate across a wide range of cultures, traditions and local laws and practices, and our Code of Conduct presents a common set of principles, which provide guidance to what we consider good business practices and ethical behaviour.

Our Code of Conduct describes how we want to do business supporting and respecting the protection of internationally proclaimed human rights and good business ethics. At the same time, it describes how we work against corruption in all its forms by increasing the employees' understanding of the rules and minimising the risk of breaking the rules. The Code of Conduct is an agile policy; hence we aim for updates continually addressing changes in the business environment.

Examples of policy implementation:

- › **Training in business ethics and anti-corruption including an e-learning programme at Blue Water Academy**
- › **Implementation of our Whistle-blower Programme: Ethics Line**

Supplier Code of Conduct

Since our suppliers are a crucial part of our value chain when carrying out services on behalf of Blue Water, we expect every supplier to share and live up to the same legal and ethical standards as we do.

This expected ethical behaviour of our suppliers is laid out in the [Supplier Code of Conduct](#). The main areas of supplier responsibility implicate Anti-Corruption, health and safety, labour and human rights and environment.

In this way, we ensure responsible supplier management by defining and communicating our expectations from the Code of Conduct.

In addition, we give preference to suppliers who display commitment to the principles of UN Global Compact and furthermore, we intend to work with suppliers who are ISO 9001, 14001 and 45001 certified or as a minimum are working according to similar principles.

Examples of policy implementation:

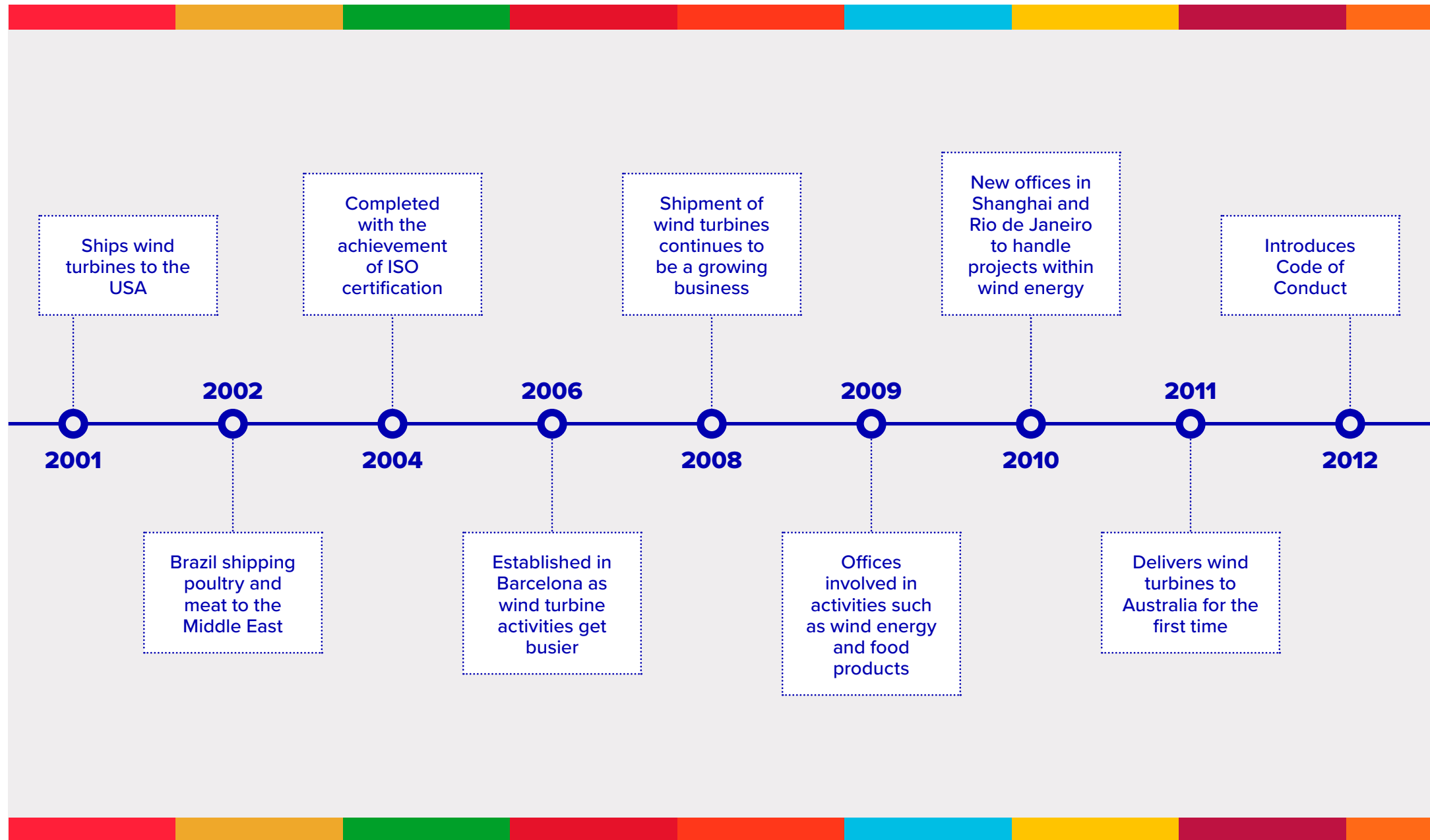
- › **Internal audits of the process Supplier and Agent Management**
- › **Carrying out supplier audits of high-risk suppliers**
- › **Audit of suppliers handling our employees' personal data**

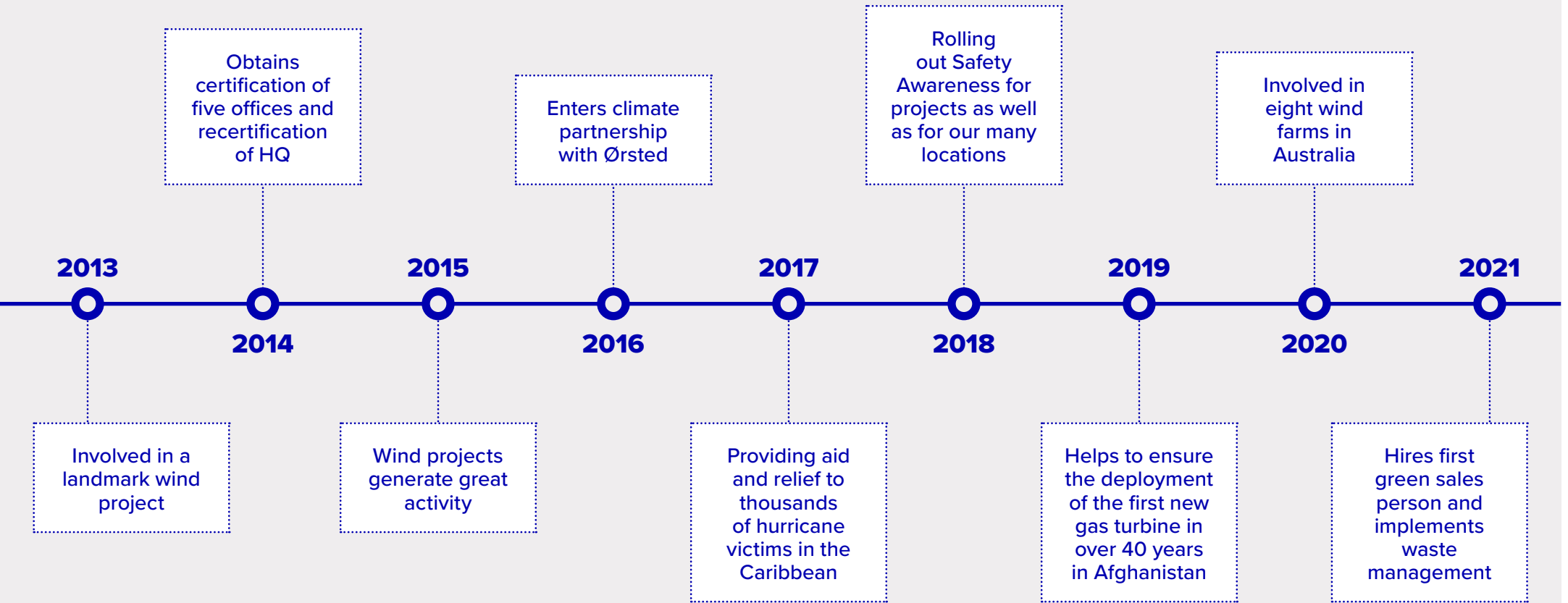
Our policies

Our policies	The policy in short	Example(s) of policy implementation
Global Quality Policy	The Global Quality Policy describes how we want to ensure that we deliver high-quality solutions to ensure customer satisfaction.	<ul style="list-style-type: none"> ➤ Certified ISO 9001:2015 Management System at the offices in Esbjerg, Oslo, Nantes, Brest, Houston, Aberdeen, Baku, Singapore, Brisbane, Perth and Port of Brisbane ➤ Global annual customer satisfaction survey ➤ Global Quality targets
Global Environmental Policy	The Global Environmental Policy describes how we want to ensure that Blue Water only produces minimal environmental impact.	<ul style="list-style-type: none"> ➤ Certified ISO 14001:2015 Management System at the offices in Esbjerg, Oslo, Nantes, Brest, Houston, Aberdeen, Baku, Singapore, Brisbane, Perth and Port of Brisbane ➤ Global Environmental targets
Global Health & Safety Policy	The Global Health & Safety Policy describes how we want to ensure that Blue Water is a safe place to work.	<ul style="list-style-type: none"> ➤ Certified ISO 45001:2018 Management System at the offices in Esbjerg, Oslo, Nantes, Brest, Houston, Aberdeen, Baku, Singapore, Brisbane, Perth and Port of Brisbane ➤ Global Health and Safety targets ➤ Implementation of the HSSEQ Reporting System to record and handle all incidents and accidents at our workplace and take all practicable steps to prevent these events from happening again, including ongoing Root Cause Analysis and implementation of lessons learned
Global Privacy Policy	The Group Privacy Policy describes how we process personal data.	<ul style="list-style-type: none"> ➤ Global implementation of e-learning in Data Privacy Awareness Training ➤ Classroom trainings for Group IT and Group People & Culture ➤ Global management review of data privacy initiatives yearly



Important milestones in Blue Water history







SDG 3: Good Health and Well-Being



Health is a fundamental human right and a key indicator of sustainable development – not only at Blue Water but in society in general. Investments in health, safety and well-being are therefore a top priority for us – at the workplace as well as in our business operations.

Health and Well-Being	Results and actions 2021	Targets/KPIs 2022
<p>3-4, 3-8</p>	<ul style="list-style-type: none"> › Lost time injury frequency rate (LTIFR)¹ = 2.64 › Two global awareness campaigns completed (reference to The Blue Water Safety Journey) › Employee engagement score of 77% › Voluntary employee turnover rate of 9.9% › Leverage of corporate resources (transportation and distribution) to support health care delivery by public and international organisations. Blue Water’s Aid & Development Team supported around 400 projects and transports 	<ul style="list-style-type: none"> › Lost time injury frequency rate (LTIFR) < 1.5 › Maintain the employee engagement score on 77% › Having a maximum voluntary employee turnover rate of 8% › Continued focus on partnerships with health care NGOs and public clinics to victims of climate related hazards and natural disasters

¹ The Lost Time Injury Frequency Rate (LTIFR) is defined as the number of lost time injuries per one million hours worked.



To us, sustainability has several meanings. First of all, we aim to create a vibrant, motivating environment where our employees thrive and develop and are engaged in day-to-day efforts towards corporate sustainability. Secondly, we strive to be a company that makes a difference where we operate – for our customers, partners and the broader society. We believe that the former contributes to the latter and vice versa.

Christian Iversen

*Director People, Strategy & Communications,
Blue Water Shipping*

People & Organisation – Health and Safety Targets

By ensuring that workers have safe working conditions and access to health services, we establish healthier staff and better relationships which in many cases has positive effects on productivity. This includes efforts both within physical and mental focus points. Thus, a healthy workforce is vital for our success, and we are committed to continuous improvements within health and safety by involving and encouraging employees to care, consult and actively participate.

At Blue Water, this means:

Every Blue Water employee has the right to a safe workplace with a minimum of risks. We are committed to keep working for improvements, provide training and education for all employees, and we encourage a ‘zero incident’ workplace. Our standards for safety are always accessible for all offices and employees through our Global Management System. We refer to our Global Health & Safety Policy for further information.

Employee Safety

Target 2021 was a LTIFR < 2.00. FY total: 2.64 (LY 4.77).

Figure 1.0 shows that the target for the frequency of lost time injury per one million working hours was not reached. However, the number of LTIs have decreased 53% from 2020 to 2021.

The figure also shows a decrease of 4% of all registered accidents. The investigation of numbers shows an increase in registrations of “no absence” accidents which

have increased 140% compared to 2020. This could indicate a progression in incident reporting.

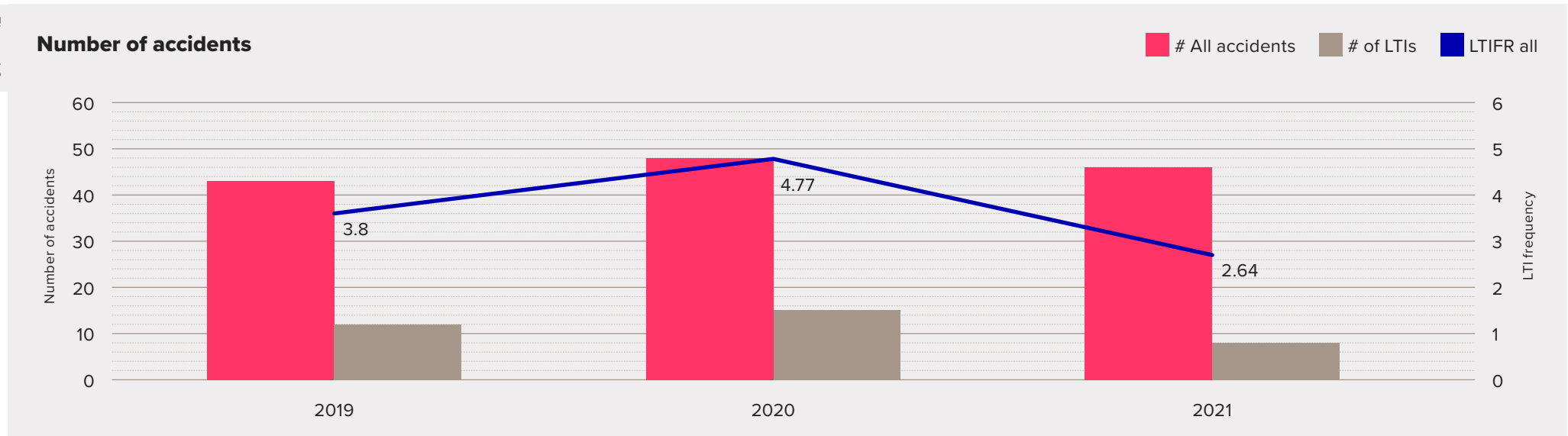
All root causes have been analysed, mitigating actions have been established and implemented accordingly. All actions will be followed up upon and monitored.

Number of working hours in 2020 were 3,143,961 and

3,026,380 in 2021, being a decrease of contributing working hours of 3.7%

Having had several sessions of safety awareness training, having employees understand the importance of reporting and being trained in the tools available, Blue Water is convinced that the increase in registered accidents shows the path to a more mature safety culture.

Figure 1.0



3 GOOD HEALTH AND WELL-BEING



Target 2022

**Reduce the LTIFR to 1.50 by means of:
The Blue Water Safety Journey, Monthly Safety briefing from Corporate (annual wheel)**

Employee engagement score

In 2021, the employee engagement score was 76%, which is slightly less compared to 2020 (77%). This is still a satisfactory result, placing us in the upper quartile when using Ennova's Global Employee & Leadership Index as benchmark based on a weighing of our geographical presence. In 2021, we saw a loyalty index at same level as the year before as well as continued strong results on all key drivers. Most notably, we could see lower variance in scores with number of low performing units improving significantly. For 2022, we target an employee engagement score at 77%.

Voluntary employee turnover rate

Voluntary turnover ended at 9.9% in 2021, which is higher compared to 2020, thus also higher than targeted level of 8%. We ascribe the increase of the development in the job market, where we throughout 2021 have seen ever increasing competition for talent. Considering the current market, we expect a voluntary churn rate in the range 8-10%, and we revise our ambition for 2022 employee churn level of 8%.

“Playing to Win”-strategy

With our statement “Playing to Win”, which is a part of the overall 2024-Strategy, we have implemented the Safety Journey. This process ensures that we have increased focus on the company's overall Health & Safety performance. To support the Safety Journey, we created a Safety Awareness Concept that will be the foundation for all initiatives within health and safety going forward. This enables us to focus on risks that reflect the working conditions Blue Water is currently facing, and it ensures an improved engagement among employees and management helping us reach our targets. In the long run, it will ensure that we reach the desired safety culture.

Leverage of corporate resources

With our global reach we are committed to contributing to achieving healthy societies around the world. Through our transport and logistics services including our distribution network we can support the delivery of health needs around the world, especially in development countries, where we can assist with bringing in humanitarian aid cargo and medicine e.g. to victims of natural disasters.



CASE

Aid cargo to hurricane victims



At Blue Water, we want to contribute to build capacity at all levels through our business operations, particular in developing countries where Blue Water's Aid & Development team assists with humanitarian aid cargo.

We have assisted with bringing in humanitarian aid cargo such as plastic sheeting, medicine, cleaning and hygiene kits to thousands of victims in Central America suffering from the flooding after category four and five hurricanes Eta and Iota.

[Read more](#)

Our goal is to promote mental health and wellbeing and contribute to providing access to humanitarian aid cargo through leverage of corporate resources.



SDG 12: Responsible Consumption and Production



Blue Water is committed to minimising own environmental impact and reduce our ecological footprint to allow for the regeneration of natural resources on which human life and biodiversity depend.

Environment	Results and actions 2021	Targets/KPIs 2022
12-2	<ul style="list-style-type: none"> > Stop Food Waste campaign initiated (put on hold due to COVID-19) > Implement Waste Management and Segregation – DK locations > New transport service solution shortening the time of delivery and reducing the CO2 emission during transport 	<ul style="list-style-type: none"> > Upgrade Waste Management and Segregation – outside DK > Develop and implement sustainable food initiatives (food waste and meat reduction, ecology) > Stop Food Waste campaign (continued)

Stop food waste: Responsible consumption at all offices

At Blue Water, we are continuously focusing on the environmental impact of our business and our general carbon footprint. Therefore, we seek to reduce waste and protect the environment where possible, and we always seek to introduce sustainable and appropriate initiatives to support such efforts. In the coming years, we will have a significant focus on our own consumption, including food waste and sustainable initiatives in relation to our lunch arrangements in all offices.

Providing global sustainable food initiatives

We acknowledge that we have a role to play in providing solutions that support SDG 12 as part of our operations and services within transport and logistics. This is especially the case when handling fresh and frozen food where delivery time and packing are essential to minimising and breaking down the causes of food waste and loss.



We have a natural obligation to act responsibly and to make an effort towards a sustainable future – inside our company walls as well as in our surrounding societies. Wherever, and however, we can make a difference, we must make a difference. Every action counts.

Dan Nissen
COO, Blue Water Shipping

Our goal is to minimise our environmental impact while aiming to find and implement solutions that enable sustainable consumption and production patterns in our daily operations.

CASE



Increasing air fresh perishables



Blue Water handles fresh and frozen products to/from all over Europe.

“Our team handles fresh and frozen products to/from all over Europe through reefer facilities in Oslo, Billund, Copenhagen, Amsterdam and Frankfurt. Using specialised thermo materials for packing chilled and frozen products, we assist our clients with reliable and cost-effective solutions - meaning that products arrive with correct temperature and ready for the shops”, says Jesper Nielsen, Business Development Manager Airfreight Perishables, Blue Water Copenhagen.

[Read more](#)

CASE



New transport service ensures fresher fish and less CO2 emission



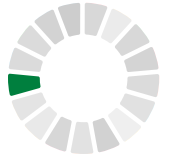
CargoNet, Nor-log and Blue Water have created a solution shortening the time of delivery and reducing the CO2 emission during transport.

“From January, we can offer weekly arrivals of fresh fish directly from Northern Norway. With the expected support from the Norwegian fish exporters, we are expecting three weekly arrivals by next fall. When we choose to transport by rail rather than road, we manage to reduce the time of delivery significantly, and that is naturally essential when transporting fresh fish. At the same time, the solution enables us to save the atmosphere for up to 7,000 tonnes of CO2 each year”, says Bent Rasmussen, Director Reefer Logistics Road at Blue Water.

[Read more](#)



SDG 13: Climate Action



We recognise that our sector of expertise plays a crucial role in solving the emission reduction challenges on a global scale. We are committed to minimising our own as well as our customers carbon footprint and contribute with transports solutions and technology that support this goal.

Climate	Results and actions 2021	Targets/KPIs 2022
13-3	<ul style="list-style-type: none"> > Development of CO2 emission calculator covering all business areas > Scope 1 and 2 mapping and reporting (results below) 	<ul style="list-style-type: none"> > Develop the Blue Water Sustainability Strategy > CO2 accounting for Scope 1, 2 and 3 > Implement a CO2 emission calculator (RPA) > Develop and commit to a CO2 reduction target in line with the Science Based Targets Initiative (SBTi)



As we know, transportation is one of the largest sectors of greenhouse gas emissions. Therefore, we have a responsibility to create impactful and greener solutions contributing to a reduction in emissions globally. We will continue to focus on adopting sustainable logistics principles and enter partnerships for establishing new and innovative climate-friendly solutions for a greener future.

Thomas Bek
COO, Blue Water Shipping

Through the Paris Agreement adopted in 2015, world-wide governments committed to limiting the global temperature rise to Well-below (WB) 2°C above pre-industrial levels and to pursue efforts to limit warming to 1.5°C. In 2018, the Intergovernmental Panel on Climate Change (IPCC) stressed that global warming must not exceed 1.5°C above pre-industrial temperatures if we are to avoid the catastrophic impacts of climate change.

According to the infamous IPPC report “Global Warming of 1.5°C”, CO2-emissions must be reduced by approximately 50 % by 2030 and reach net zero by 2050 to limit global warming to 1.5°C.

We acknowledge that we have a role to play in building the resilient economy we need by focusing on Sustainable Development Goal 13, which aims to take urgent action to combat climate change and its impacts by bringing down greenhouse gas emissions.

We are at the beginning of our emissions reduction journey, and we have a lot to learn before knowing how and where our actions may have the greatest impact in the short-term and how to transition in the long-term. Simply put: To be able to navigate, we need to know where we are and where we are heading. We are committed to find the appropriate way going forward in this area.

Our goal is to adopt sustainable logistics principles and solutions and work in close collaboration with customers, partners and suppliers to reduce our own as well our customers climate footprint.

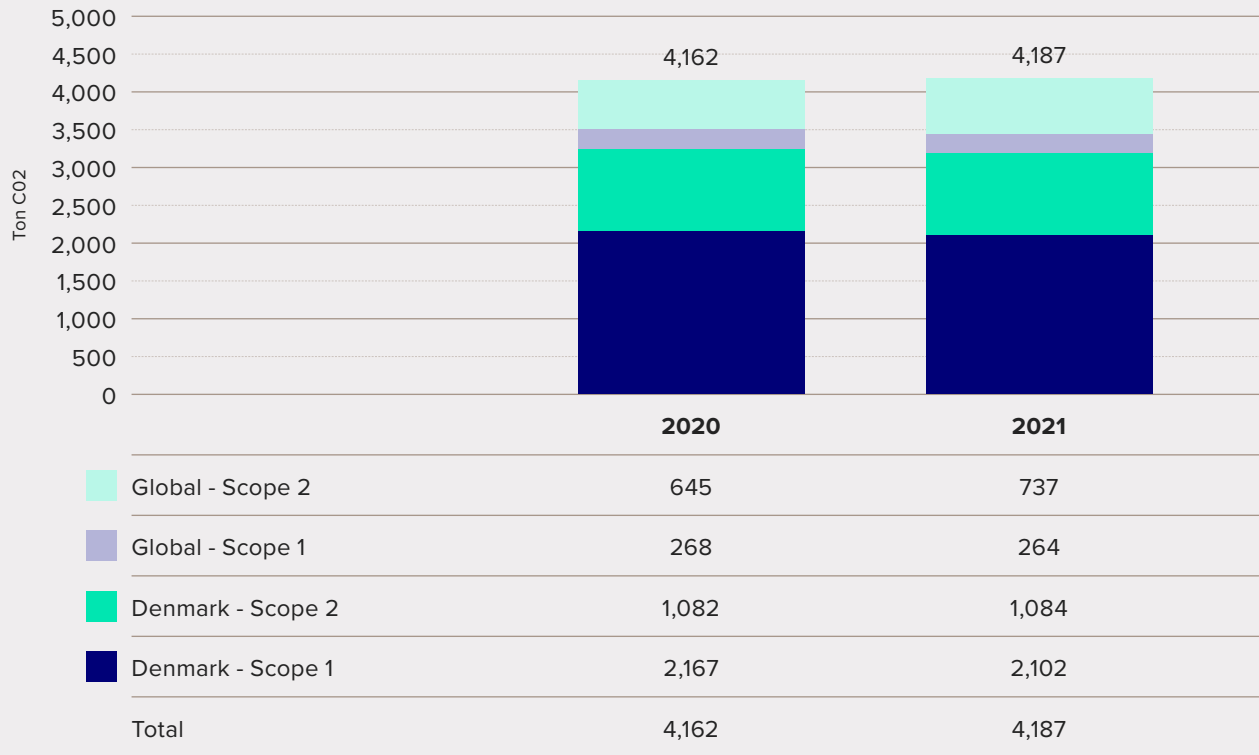
Measuring our own carbon footprint

In 2021, Blue Water initiated the comprehensive work of mapping and accounting for our Scope 1 and Scope 2 emissions.

This was done through data collection of fuel consumption by company cars and equipment at all locations globally.

Figure 2.0

Scope 1 and 2 emissions



Results for "Global" include Scope 1 and 2 emissions outside of Denmark.

Total Scope 1 and 2 emissions increased from ~4,162 tonnes CO₂-emissions in 2020 to ~4,187 tonnes CO₂ emissions in 2021. The rise is mainly due to increases

in electricity consumption from opening of new offices globally. Scope 1 and 2 emissions from Danish locations decreased slightly over the period.



How we approached our CO₂ mapping

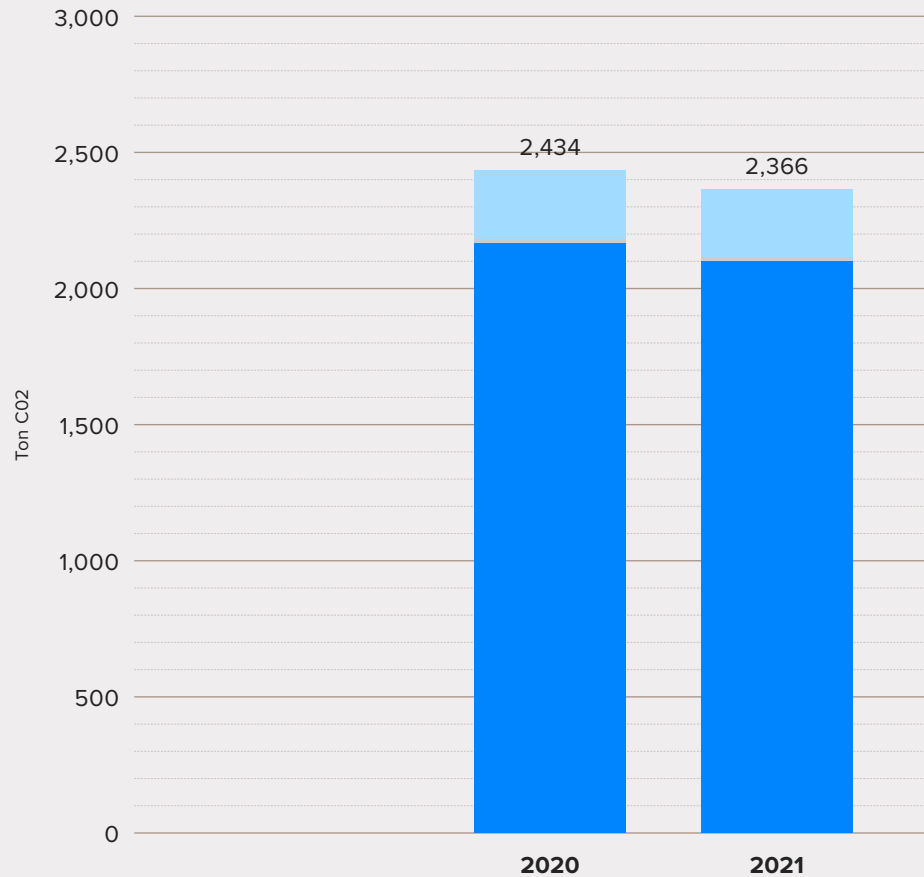
The collection of energy and fuel consumption data from Blue Water locations was acquired through invoices as well as communication with office property owners and energy suppliers. At locations with low data availability the average annual electricity consumption for an office employee has been estimated.

CO₂ emissions are calculated based on emission factors from the Danish Energy Agency as these were the best available factors. Emission factors for specific geographic locations will be addressed in the further mapping of our CO₂ emissions for Scope 1, 2 and 3 in 2022.

The calculation of the collected energy consumption includes data relating to electricity, heat and fuel consumption. The heat consumption covers district heating, oil and gas; the fuel consumption covers port service trucks, other terminal machinery and company cars. Blue Water does not own any lorries, and therefore this is not included in the collected energy consumption.

Figure 2.1

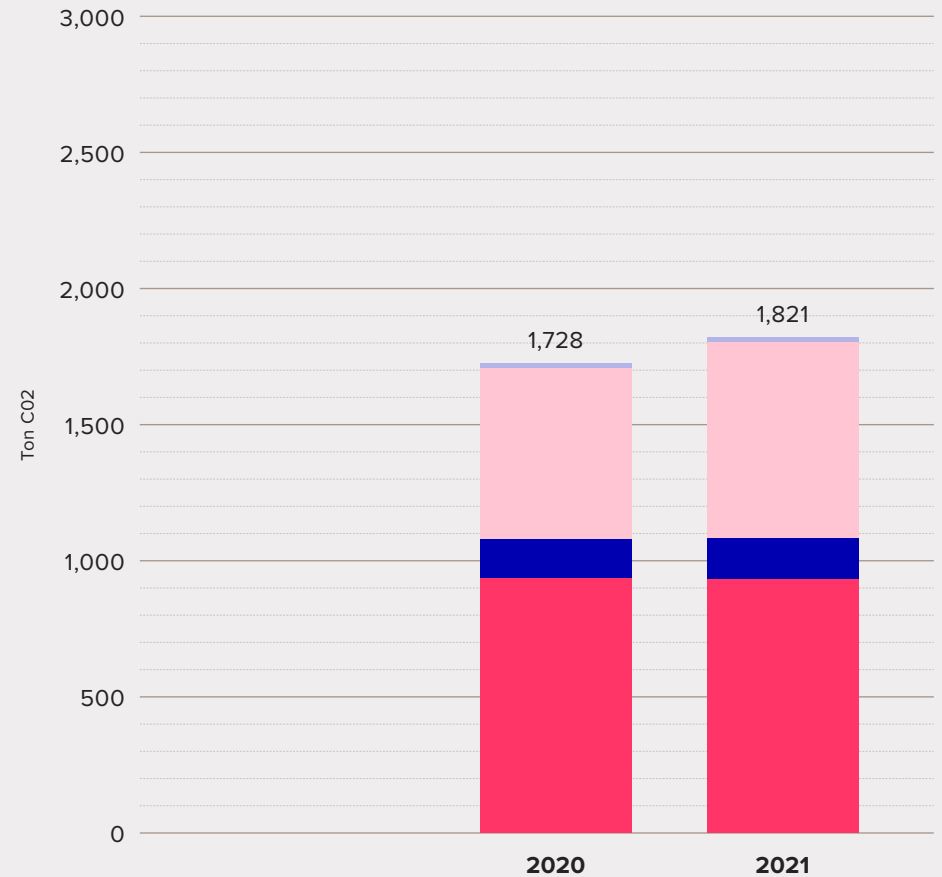
Scope 1 emissions



Global - Fuel	250	247
Global - Heating oil	18	17
Denmark - Fuel	2,167	2,102
Denmark - Heating oil	0	0
Total	2,434	2,366

Figure 2.2

Scope 2 emissions



Global - District heating	18	18
Global - Electricity	627	719
Denmark - District heating	144	149
Denmark - Electricity	938	935
Total	1,728	1,821

Developing a Blue Water Sustainability Strategy

In 2022, we are committed to continue the development of a corporate climate strategy. The building blocks in formulating our strategy will be to answer the following questions:

- › Where are we now? **CO2 accounting for Scope 1, 2 and 3 following the Green House Gas Protocol**
- › Where are we heading in a business-as-usual scenario? **CO2 projections for 2030**
- › Which activities drive our carbon footprint, and what are the possible reduction measures?
Analysis of emission hotspots and reduction measures

2023 Targets – Setting our CO2 reduction course

By 2023, Blue Water will have the necessary insight into our own climate impact to formulate and commit to a CO2 reduction target. The reduction target will be developed in line with the Science Based Targets Initiative (SBTi), and our goal is to make sure that our ambitions follow the needed trajectory towards limiting the global temperature rise to 1.5°C above pre-industrial temperatures.

13 CLIMATE ACTION



The Greenhouse Gas (GHG) Protocol is the leading international standard describing how CO2-emissions should be quantified and reported as CO2-equivalents under three different types of emissions. These are referred to as Scope 1, 2 and 3. Scope 1 indicates the direct emissions from activities that our company controls, i.e. emissions from company cars, equipment and our own heat or energy production (e.g. gas and oil for heating), Scope 2 is the indirect emissions from supplied energy, while Scope 3 is the indirect emissions related to the value chain of our company.

The Science-Based Targets Initiative (SBTi) is a UN initiative defining a clear path for individual companies to ensure that reduction measures are based on scientifically well-founded recommendations and are in line with the goals of the Paris Agreement.

Contributing to reducing our customers carbon footprint: CO2 Emissions Calculator

We thrive on the ambition to deliver value-adding services to supplement our Best in Town strategy. As part of our efforts in building sustainable transport solutions, it is natural for us to investigate different options for calculating and visualising our customers' carbon footprint.

For this reason, we are in the process of implementing a CO2 calculator in collaboration with a trusted business partner. The calculator provides our customers with interfaces to visualise and measure individual transport services and their carbon footprint (including energy consumption as well as NOx, SOx etc.)

The calculator is built upon a large amount of data from pre-carriage, main transport and on-carriage as well as several differentiated values based on truck Euro norm, space utilisation and more.

We believe this tool will deliver some of the most precise calculations available in the industry today, and we are already getting our calculator ready for supporting actual numbers from carriers and shipping companies.

The CO2 emissions calculator offers several benefits:

- › Globally – A method for providing carbon footprint data covering all transports globally
- › One Solution – To support multiple transportation and freight characteristics
- › Flexible – Available to calculate CO2 emissions based on clients' criteria
- › Compliant – With international standards EN16258 and GLEC accredited
- › Reliable – Proven public methodology. Regularly updated by independent scientific institutions

CASE

13 CLIMATE ACTION



Greenlandic iceberg transported to COP26 in Glasgow



A 3,920-kilo piece of iceberg and 540 liters of water from Greenland were transported to Scotland to visualise the climate changes to the participants of COP26. The close teamwork among Blue Water's employees in four countries meant that iceberg and water made it to COP26 in time.

[Read more](#)

13 CLIMATE ACTION



New Business Development Manager to develop sustainable solutions



Sustainable transport solutions will pave the way for a greener Blue Water. That is why we have welcomed Per Jakobsen, who will contribute to the green transition through innovative solutions, internal development and a close collaboration with external climate partners.

[Read more](#)



SDG 16: Peace, Justice and Strong Institutions



Blue Water is committed to contributing to more peaceful and inclusive societies, and we support effective and accountable institutions. Through our core business and collective action, we strive to make meaningful contributions to lasting peace, development and prosperity.

Compliance	Results and actions 2021	Targets/KPIs 2022
<p>16-2, 16-3, 16-5, 16-8</p>	<ul style="list-style-type: none"> › Global Management System (GMS) › Whistle-blower and Compliance app; Ethics Line › Contract Management System › Corporate Risk Management System › Global awareness campaigns in 2021 under the headlines “Dare to Care” and “Be Alert” <p>Campaign & System Implementation</p> <p>Awareness initiatives for the campaign “Be Alert” has been launched successfully to an average of 1,381 active learners.</p> <p><i>Campaign e-learnings - examples:</i></p> <p>“Phishing”, “Secure work from home”, “Ransomware”, “Data Privacy // GDPR”, “CEO Fraud”, “Data security when you are out”, “Data breach”, “Lock your computer”, “Personal data at the office”.</p>	<ul style="list-style-type: none"> › Development and implementation of: Compliance programmes within: Competition, Fraud and Money Laundering › Global legal compliance framework for data processing › Global implementation of new management systems: Contract Management System (obligation management), Global Management System (quality management) and corporate Risk Management System

* The declining numbers are due to a decrease in FTEs

Our goal is to comply with applicable legislation and always seek to meet international standards, and we require and support business partners to do the same.

Blue Water is an organisation with strong values of responsibility and integrity. Our written standards and policies contain general guidelines for conducting business with high standards of ethics. Blue Water is committed to an environment where open and honest communications are the expectation, not the exception. We expect all employees to act within the framework of the law and encourage them to take action if they encounter any deviations.

To achieve our goals supporting SDG 16, we conduct risk and impact assessments to identify and mitigate risks of contributing to corruption, violence, and conflict, weakening of the rule of law as well as identify opportunities for positive impacts.

Human rights

Blue Water recognises global human rights and the responsibility to address any adverse impact caused by our operations. We acknowledge that our operations and services may cause adverse impact on human rights as well as on the responsibility to appropriately address such impact, and we acknowledge that our responsibility to respect human rights may go above and beyond compliance with the law.

Non-discrimination

We respect diversity and treat employees equally regardless of gender, race, colour, religion, political belief, sexual orientation, national origin, social origin, age or disability. No discrimination is practiced in respect of employment, dismissals, relocations, promotions, determination of salary and working conditions or competence development. We accept differences and share trust between one another to share an open dialogue.

Ethics line

Any employee, customer or business partner, who for ethical reasons decides to uncover or inform about unacceptable conditions or direct illegality at Blue Water that he/she knows about or somehow has been involved in, has the right to report directly to the Ethics Line without fear of retaliation or similar.

Our Ethics Line serves to:

- › Uncover and control unethical and illegally conducted practices within the Blue Water global organisation
- › Ensure that all employees observe the current legislation and operate within the company's moral and ethical framework.



“

Cyber security is an important element of running a responsible business, and it is the role of management to raise the dialogue on cyber security and accountability - not only in our own risk perspective but also in relation to ethical obligations. To support this, we have a strategic focus on data and information security, we establish adequate policies and guidelines, and we initiate programs to raise the level of knowledge and awareness among our employees.

Flemming Busch
CFO, Blue Water Shipping

Compliance and awareness programmes

As we in Blue Water are operating across several cultures, traditions, local laws and practices, it is important for us to make sure that all employees are aware of the common set of principles providing guidance to what Blue Water considers responsible business practices and ethical behaviour – principles

that are outlined in our Code of Conduct. We proactively implement e-learnings and compliance programmes for awareness training of employees as well as Management.

Blue Water considers these compliance programmes to be a vital part of the

organisation to ensure that we always work within the framework of the law and initiate successful enforcement in case of unethical or illegal conduct. The compliance programmes are updated and improved on a regular basis to align with business requirements and stakeholder expectations.

Data Ethics in Blue Water

At Blue Water, we process large amounts of data for and about customers and employees daily. It is part of Blue Water's goals to use new technologies, and we have also launched several initiatives to further secure the IT infrastructure so that data is adequately protected.

Blue Water works actively with technical and organisational measures that consider legislation, business expectations and customer requirements.

We continuously monitor and evaluate data/information to confirm usage for our global business operations and the benefit of customers and employees. In continuation of these data ethics considerations, Blue Water has introduced several supportive measures which are regularly reviewed to confirm criteria for processing the company's data.

We have a [privacy policy](#) describing how personal data is processed. Furthermore, policies for handling contracts, tenders and follow up with customers have also been implemented, as well as awareness raising campaigns for employees on various topics, e.g. phishing.

Blue Water pays particular attention to entering contracts with customers and suppliers, including data processing agreements which help to ensure appropriate processing of customer and employee data. Through information security, risk management, IT security and compliance, Blue Water works actively with good data processing practices in respect for data protection and ensuring the free movement of information for the benefit of society, customers and employees.

Information security

Cyber-attacks remain a high-risk area. The information security and data privacy awareness campaign "Be Alert" is running according to the annual plan. In December 2021, the Be Alert e-learning course was launched to 1,380 active learners. Audit on completion is being conducted every month and reported to Executive Management.

Customer expectations

Due to the cyber-attack in September 2020, a number of customers and business partners are expecting a higher level of compliance, hence requesting more documentation etc. We are assessing in which way Blue Water can provide a framework living up to our customers and business partners expectations supporting the business requirements.

CASE



Information Security Campaign: "Be Alert"

In early 2021, Blue Water launched the Be Alert information security and data privacy awareness campaign. The purpose of the initiative is to

- › Ensure staff awareness
- › Secure the organisation's critical information assets
- › Mature a risk aware business culture

The core activity of the Be Alert campaign is employees completing e-learning trainings within areas such as phishing, physical security and personal data processing. All employees are obligated to pass the test included in each session.





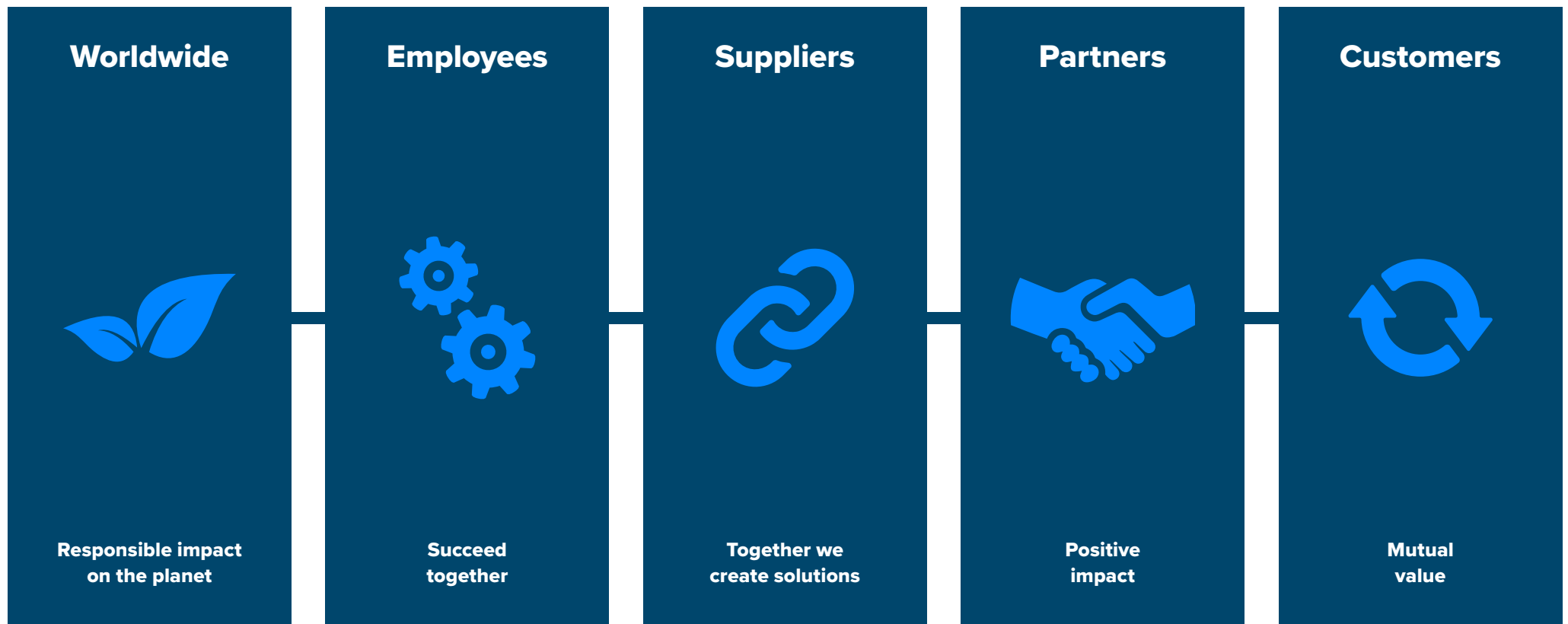
SDG 17: Partnerships for the Goals

At Blue Water, we recognise the power of partnerships and alliances when achieving the Sustainable Development Goals. Investing in partnerships can help our business create long-term value and positive impact on society far beyond what we could accomplish alone.

In the context of global instability, climate change and economic transformation, we see new opportunities and new responsibilities for companies in all sectors. Also, we experience an increasingly shared set of interests in achieving the UNs Global Goals, not least in Sustainable Development Goal 17 which is about creating partnerships for the Goals.

At Blue Water, we believe that these cross-business and cross-sector partnerships are essential to achieve the scale and sustained impact necessary. The partnerships can unleash innovative ways of working, exchange of knowledge and expertise and be the foundation for new resources, opportunities and solutions.

Shared value is the key to such partnerships for them to be long lasting, scalable and transformative. That is why we at Blue Water continuously seek to enter strategic partnerships with the main goal of offering turnkey services and solutions that support our vision and values:



CASE

17 PARTNERSHIPS
FOR THE GOALS



Blue Water and Danwind enter a joint venture

DBW
Danwind Blue Water

Blue Water and the Construction division of Danwind Group have entered into a joint venture agreement establishing a new entity Danwind Blue Water that will offer turnkey services covering the full scope of logistics, assembly, disassembly and installation of wind turbines.

“Each of our companies has comprehensive experience and expertise in providing our services to the Wind industry. By joining forces, we can offer strong and flexible solutions to meet the increasing demands of the industry”, states Per Jensen, Global Director Port Service at Blue Water.

[Read more](#)

CASE

17 PARTNERSHIPS
FOR THE GOALS



Blue Water is aboard the CO2 project Greensand

A consortium is established to realise the storage of CO2 in the North Sea. The project is called Greensand, and Blue Water is one of the companies contributing with innovative solutions. The pilot project is to clear the way for storage of CO2 in the North Sea from 2025.

Blue Water’s role in the project covers the core competence: to create logistics solutions. In the Greensand project this covers acquisition of special containers able to transport CO2, handling of containers and chartering the vessel carrying them offshore and back again.

“We acquire a large number of IMO certified ISO-containers to transport the liquid CO2, charter the right vessel given the assignment and deliver a transport frame to the containers, so they can be transported safely. The frame is designed by our own technical department, and they will also perform calculations on the movements of the vessel. Our strength is our ability to deliver the full package, and especially our technical department with engineers, former captains, HSSEQ specialists and experienced projects managers will play an important role in the project. We are the focal point in relation to transport and logistics throughout the entire project.

Blue Water has no previous experience with transporting large amounts of CO2, but we love challenges like this at Blue Water. We are experienced in handling all types of transports in enormous projects. Both within oil and gas in the North Sea since the 1970’s and wind logistics since the 90’s, our innovative approach to logistics has ensured us many interesting jobs”, says Allan Leiberg, Business Development Manager at Blue Water, Energy & Projects.

[Read more](#)