



CSR Report 2022



Contents

CEO STATEMENT	3
CLIPPER GROUP CSR POLICY	4
CLIPPER GROUP AT A GLANCE	4
CLIPPER'S MAIN OFFICES	5
CLIPPER BULK	5
CLIPPER BULK BUSINESS MODEL	6
KEY CSR RISKS AT CLIPPER BULK	8
CSR WORKING GROUP	10
HUMAN RIGHTS & LABOR STANDARDS	11
HUMAN RIGHT RISK ASSESSMENT	11
OUR PEOPLE	15
FEMALE EMPLOYEES & FEMALE MANAGERS	18
FEMALE BOARD MEMBERS	19
COVID-19	20
DATA PRIVACY & IT	21
ENVIRONMENT & CLIMATE	23
ANTI-CORRUPTION	26
SUMMARY OF FOCUS AREAS	27

CEO STATEMENT

We continue to be dedicated to responsible business practices and look forward to sharing the progress we have made during 2022 in this CSR report. As the regulatory landscape evolves, we recognize the importance of aligning our CSR initiatives with upcoming requirements, such as the corporate social sustainability reporting directive (CSRD) and the EU Taxonomy. Through this report, we aim to provide a comprehensive overview of our current efforts and our commitment to meeting these forthcoming obligations.

The year 2022 will be remembered as the year where Russia invaded Ukraine which made it necessary to consider to which extent Clipper Group's trading activities should be amended as a response to this. Very early on we adopted a policy that we in addition to follow the sanctions will not agree to sail to any ports in Russia, enter any agreements with Russian companies or transport any goods where it is evident that the goods are to be ultimately used in Russia.

We acknowledge that the journey towards sustainability is an ongoing process, and we are committed to continually enhancing our practices and exploring innovative solutions to improve our impact. I am pleased to recognize that our organization is very much supporting these efforts and we see a lot of dedicated work taking place in our cross-departmental working groups focusing on CSR, Decarbonization and Development and Learning.

We have in the beginning of 2023 established a whistleblower scheme and urge our employees and business partners to make use of it, if you come across any illegal or un-ethical behavior in our business

Finally, I am pleased to confirm that we remain committed to support UN Global compact and its ten principles.



Amrit Peter Kalsi

Group CEO,
Clipper Group



CLIPPER GROUP CSR POLICY

We strive to make a positive impact.

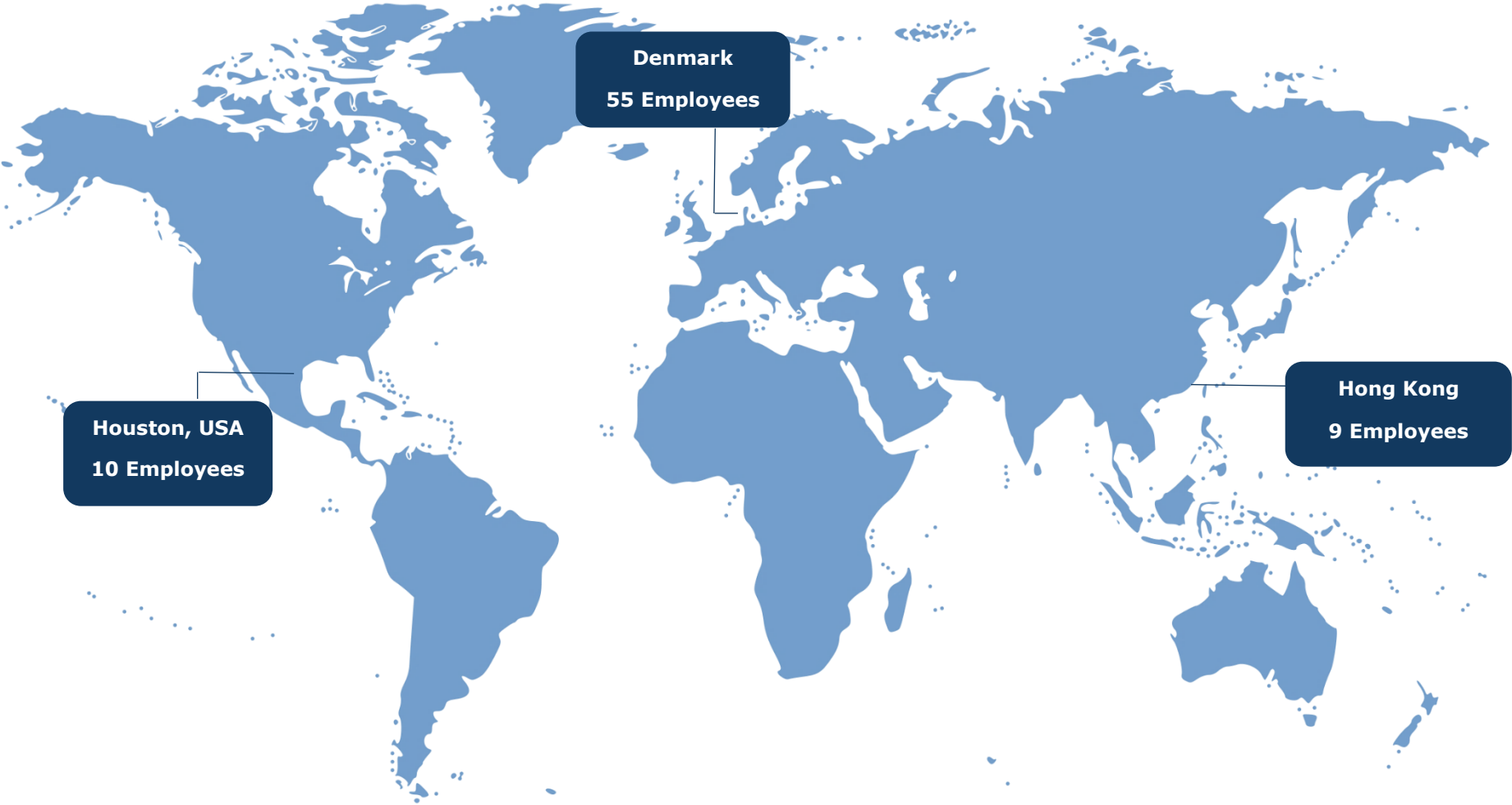
As a maritime player with a global presence at sea and on shore, we recognize our social, environmental, and ethical responsibility. We wish to push for a positive development by running our business in a responsible manner and by promoting sustainable business behavior in our network. We are committed to and do build our efforts on the 10 principles of UN Global Compact. We are setting measurable goals within the areas, where we believe our efforts may have the greatest impact and are under our current goals for 2020-2022 focusing on diversity, safety, reducing emission and fighting corruption.

CLIPPER GROUP AT A GLANCE

Clipper Group is a family-owned international shipping group dedicated to global dry bulk shipping. It has always been an integrated part of Clipper Group's DNA to pursue a positive impact on its surroundings. These efforts have been increasingly professionalized by structured processes and reporting. Clipper Group is currently preparing itself to be ready to comply with EU Taxonomy and CSRD from year 2025. This entails a structured and thorough review of Clipper Group's activities and how this impacts society. Clipper Group will as part of this process identify areas where specific targets will be set, which then will be reported on in our future CSR reports. During the transition period we will continue to report on the goals established for 2020-2022 for year 2023 and 2024.

This report serves as our statutory reporting for Clipper Group A/S according to the Danish Financial Statements Act §99a, §99b and §99d and constitutes part of Clipper Group A/S's management commentary in the annual report for 2022. It also serves a supporting document in connection with the communication of progress for 2022 to UN Global Compact for Clipper Group Ltd.

Clipper’s main offices



CLIPPER BULK BUSINESS MODEL

Clipper Bulk operates around 85 handysize and supramax vessels. We have long-term partnerships with clients, investors, technical- and commercial managers and we take pride in the fact that many of our partnerships go back more than 20 years.

Clipper Bulk’s customer base spans from large commodity houses to single commodity producers and end-users. We transport alumina, cement, coal, grain, logs, steel and wood pellets and our customers benefit from our strong focus on risk management and cost-effective coverage. We focus on short term contracts and spot fixtures, monitor the market closely and use analytics to support our decision making. Governed by our strong values, our talented people focus on relationships and data to make the best market calls and deliver reliable and dedicated services.

VALUE CHAIN



COMMODITIES







KEY CSR RISKS AT CLIPPER BULK

The following table provides an overview of the most significant CSR risks facing Clipper Bulk and how we mitigate them. It is not an exhaustive risk overview.

CSR TOPIC	RISK	MITIGATION
Diversity	If Clipper does not maintain a diverse and inclusive workplace, there is a risk that we will be unable to retain and attract talented people and lose the value of having different perspectives.	<p>Clipper is setting diversity goals each year and participating in the Target Gender Diversity Program from UN Global Compact.</p> <p>We encourage diverse recruitment by using gender-neutral language in job advertisements and searching on international job sites to attract a broader range of candidates from different backgrounds.</p>
Corruption	Clipper trades Worldwide which increases the risk of encountering corruption and illegal behavior.	<p>Clipper has implemented an anti-corruption policy and conducts anti-corruption training of staff.</p> <p>Clipper Bulk is also an active member of the Maritime Anti-Corruption Network, taking part in several anti-corruption initiatives as we realize that corruption is only fought efficiently in partnerships.</p>

Sanctions	<p>After the breakout of the war in Ukraine, in February 2022, it has become an even greater risk for companies to avoid sanctioned parties.</p> <p>Sanctions in general, are a high-risk topic.</p>	<p>Shortly after February 2022, Clipper took a clear stand not to engage in Russian activities including trade with Russia.</p> <p>Clipper made an internal policy on this topic which was communicated to all employees. Thorough sanctions checks are continuously carried out to ensure the policy is met.</p>
Seafarers' human rights and Labor Standards	<p>As an operator, Clipper may not be aware of potential human rights violations or poor working conditions for the crews working onboard vessels which are chartered in.</p>	<p>Clipper strives to include a clause in our Charter Party agreements stipulating clear expectations for reasonable working conditions and respect of the seafarers' human rights in accordance with ITF (International Transport Workers' Federation), the Maritime Labour Convention, or similar organizations.</p>
Human rights in conflict areas and throughout the value chain	<p>It is a risk that Clipper employs vessels Worldwide which may also include trading in conflict areas. The risk consists of being unknowingly in-directly linked to infringements on human rights.</p>	<p>We are monitoring the situation carefully when transporting goods to conflict areas to ensure that we are not actively or indirectly participating in violation of international sanctions or human rights. Clipper conducts sanctions check.</p>
Decarbonization	<p>Decarbonization of the Maritime Industry is in an extremely evolving decade which may also include the risk of not being competitive and meeting the demand/appetite in the market.</p>	<p>Clipper has continuously a strong focus on the transition and ambitious decarbonization of the maritime industry. The workgroup within Clipper engages with stakeholders and participates in various seminars. Clipper is also looking into possibilities to engage further in partnerships and other solutions.</p>

CSR WORKING GROUP

A CSR working group has been established as a natural next step in Clipper Bulk's continued focus on CSR. The working group has members from management and cross the organization and is dedicated to work with the many subjects relating to CSR that the organization is being faced with.

The key function for this workgroup is firstly to engage stakeholders internally in the Company, learn from different departments and ensure awareness on various topics within CSR in the organization. The CSR workgroup follow up on ideas and challenges which are met by the business and ensure that we improve where it is possible and further that Clipper encourage all employees to take active part in the company's CSR efforts in their daily work.

During 2022 the group had a list of different topics on the agenda, it varied from discussions about the use of plastic bottles in the office to finding the "right" aid organization for donating to the People of Ukraine. The group often discuss Clipper's impact on the environment and ideas to optimize and challenge status quo.

Recycling of IT equipment

Clipper having awareness and focus on the use of IT equipment, which is a crucial part of doing business. Therefore, does Clipper's IT strategy include guidelines for a lifetime period for all equipment, whereafter it will be sold and re-used in society.

Reduced resources used on printed pages

In Clipper's offices it is only possible to pick up printed paper if an employee sign-in to get the print from the printer – that means that no incidental printouts or outdated print will be printed. This has helped Clipper save resources on paper and ink.

It lies within the Clipper DNA to be a responsible company. In this connection the group discuss and evaluate Clipper's role and ability to support good initiatives in local societies, and initiatives which could add value for vulnerable groups. During 2022 Clipper started a process to become a supportive partner of the organization JunkFood.

Junkfood is a private organization that provides food and other necessities for people on the streets of Copenhagen and ensure the feeling of care and well-being in a challenging environment. Clipper has made a donation to JunkFood, which will provide 4.000 meals and more proactive voluntary work and hands-on initiatives will follow. JunkFood is addressing the UN Sustainable Goals in both the social and environmental field due to the work with vulnerable youth and adults and reducing food waste.



HUMAN RIGHTS & LABOR STANDARDS

Human rights are fundamental entitlements that belong to every individual, regardless of their nationality, race, gender, religion or any other characteristic. It is crucial for Clipper Group to respect Human Rights.

CLIPPER GROUP HUMAN RIGHTS POLICY

Clipper Group has a firm commitment to respect Human Rights.

Clipper Group are conscious about avoiding any infringements on Human Rights and will address issues concerning infringement on Human Rights. We recognize our responsibility as a company with global presence and are aware that our business impacts a large number of people both directly and indirectly. It is of outmost importance that all employees within Clipper are aware of the company's role, are strong ambassadors and act on and for the respect of Human Rights.

HUMAN RIGHT RISK ASSESSMENT

Clipper have carried out an assessment of Human Rights Risks that might apply for Clipper Group Ltd. and its subsidiaries. The purpose has been to know the landscape of risks and potential impacts Clipper Group might have on Human Rights in order to prevent and/or mitigate any negative impacts and to include this knowledge in decision making.

Human Rights

The assessment of impacts on Human Rights is based on the principles and articles described in the Universal Declaration of Human Rights.

'Human rights are universal rights afforded to each person in "recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family" which form the "foundation of freedom, justice, and peace in the world.' [Universal Declaration of Human Rights (1948)]

Salient Human Rights risks

We have during the assessment process identified the salient human rights issues, where the Clipper Group most severe negative impact through its' activities and business relationships is.

"A company's salient human rights issues are those human rights that are at risk of the most severe negative impact through its activities or business relationships." UNGP's Reporting Framework

Material topics are those *"that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights."* GRI Glossary 2021

Interviews of Stakeholders

In connection with the yearly Risk Assessment, the interviews of various employees within Clipper were conducted which this time

included questions about Human Rights and risks. Focus was especially directed to where Clipper Group could potentially affect infringements on Human Rights.

Before the interviews were conducted material about human rights was circulated. This material included a brief description of Human Rights, link to the UN publication "The UN Guiding Principles on Business and Human Rights" and examples of impact types on Human Rights; 1) causing, 2) contribution, and 3) linked to infringement of human rights.

Risk categorized

After the conduction of interviews and analysis of the same, the risks mentioned were analyzed and categorized. Two of the risks flagged during interviews were found to be salient:

- Risk of stress amongst employees affecting well-being and health.
- Risk of infringements of seafarers' rights in relation to their working conditions, safety, and health.

Clipper Group's role and responsibility

Clipper Group wants to engage in a supportive manner and communicate a respectful approach toward Human Rights. It is recognized by Clipper Group that we are in a position in the value chain, where it can be difficult to spot potential infringements of rights holders throughout the value chain, thus, communication with stakeholders is important. Clipper Group respects Human Rights and truly believes that this topic is important to keep the focus on and help to develop in a positive direction. As a company with a global presence, Clipper Group is carrying a responsibility, especially in vulnerable countries and areas of the World where the risk for infringement of Human Rights is likely.

We wish to address the identified salient risks and have in the following described steps taken already and actions we intend to take in the future.

How to address the risk of stress amongst employees

Clipper Group's key assets are our employees, and a number of initiatives are continuously being taken to ensure the employees well-being and promote a strong defense against stress:

- Several different workgroups have been formed,
- Team building,
- Facilitation of different training programs,
- Specific stress support and training,
- Specialized personal-and professional development tools,
- Available personal flexibility solutions, and
- Regularly one-to-one meetings with managers.

Going forward we will

- Continue to provide stress support and communicate about preventive measures; and
- Be very clear in communication in every manager-level to ensure awareness of stress

How to address risk of infringements of seafarer's rights

Clipper Group's commercial role as an operator entails that we do not employ seafarers directly. We do, however, have a strong focus on the mental and physical health of the seafarer's onboard vessels operated by Clipper Group. It lies within the Clipper Group DNA that we want to facilitate a good working environment for all stakeholders we engage with, including the seafarers. We believe the work of Unions and organizations, such as ILO, has contributed to a positive development through the last decades to increase the focus and the conditions for the people at sea and in ports.

Going forward we will

- Communicate and engage with stakeholders involved in our business,
- Ensure that crew onboard vessels are familiar with the whistleblower scheme,
- Clear communication to technical managers and about Clipper's policy on Human Rights, and
- Consider joining initiatives which supports and work with seafarers' rights and working conditions.

We believe the Human Rights Risk Assessment process has been valuable and will on an annual basis revisit status on our work for promoting Human Rights within our organization and throughout our value chain.



OUR PEOPLE

OUR PEOPLE

Clipper employed 71 people by the end of year 2022 and wishes to be an attractive workplace. We believe the retention rate provides an indication of employee satisfaction and engagement. The retention rate for Clipper was 92% for 2022. Our goal that the retention rate shall be above 90% has therefore been met for the third year in a row.

DEVELOPMENT OF EMPLOYEES

Clipper's working culture is characterized by empowerment, responsibility, and growth from day one. Investing in employees is essential to Clipper's strategy and we treasure initiative and wish to promote a growth mindset, where employees take increased levels of responsibility and drive personal and professional development. We empower employees to continuously develop their qualifications through a performance development appraisal twice a year with their intermediate manager. This process provides the necessary support and guidance to achieve career aspirations and goals.

Activities in learning and development range from inhouse knowledge sharing, participation in a variety of schooling and courses with external educational institution, with the overall aim that the learning shall be relevant to Clipper's strategy and support current and future tasks and responsibilities

The in-house learning and development workgroup has made significant progress in Clipper's commitment to employees learning and development during 2022 and they are continuously exploring new and creative ways for learning.

E-Learning: In 2022 Clipper implemented e-learning software for all employees worldwide to access both soft- and performance related skills training at their convenience.

Stress-awareness: In addition, Clipper also invited an expert to provide employees with the right knowledge about stress reactions, prevention methods and support. This initiative aimed to equip employees with the necessary tools to maintain their mental health.

There has been no long-time sickness due to stress-related conditions in 2022.

Workgroups: Clipper continues to promote knowledge sharing between departments on a daily basis and creates internal workgroups across the organization, such as CSR, Decarbonization and Learning & Development. This initiative allows our employees to collaborate and exchange ideas which has fostered a culture of innovation and creativity within the Company.

Clipper's commitment to development of employees, remains a top priority.

Career Paths:

Employees in Clipper have the opportunity to challenge and develop themselves through different career paths within the organization. Clipper always encourages further learning and development of each individual's potential, and we divide our career paths into four sections:



SPECIALIST

For you who are interested in becoming a specialist within a specific professional area



LEADERSHIP PEOPLE MANAGER

For you who are interested in leading and developing people



RELOCATION TRAVEL TO NEW LOCATION

For you who are interested to work in a Clipper Office in another location/abroad



TRANSFER BETWEEN DEPARTMENTS

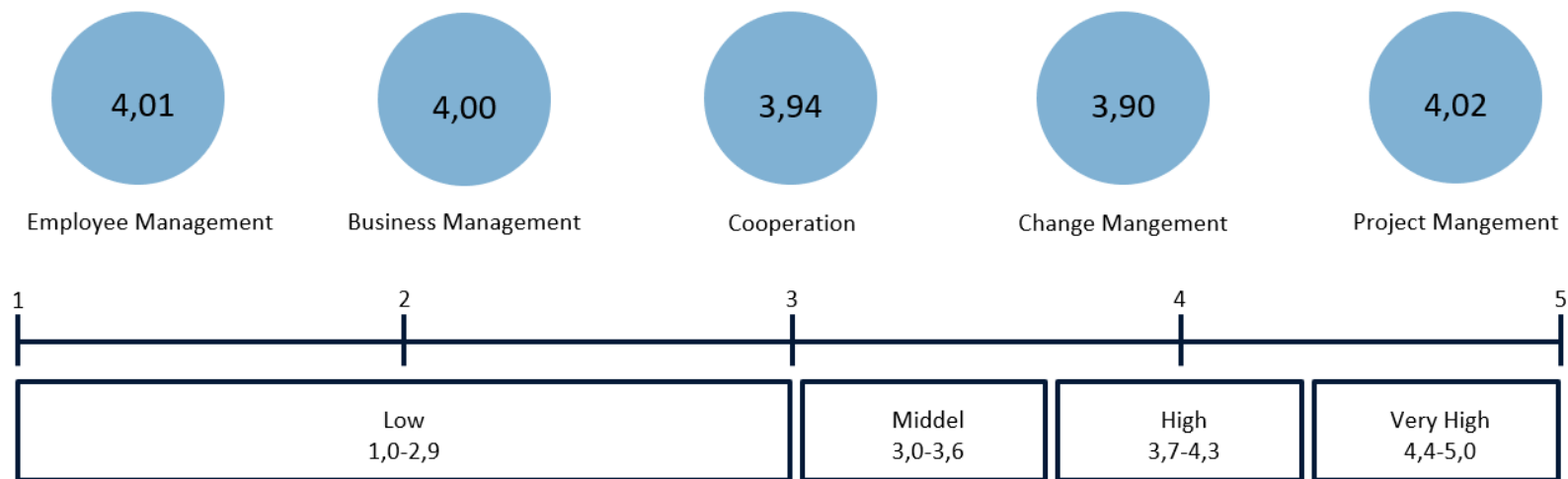
For you who are interested to learn new skills, broaden your experience, and build your organization's knowledge

360-DEGREE LEADERSHIP SURVEY

Leaders are important to preserve and strengthen the Company culture. In 2022 a 360-degree leadership-survey was carried out in order to get qualified knowledge about employees' opinion on leadership in Clipper and to target activities and initiatives going forward. The answers were 100% anonymous and each leader received individual feedback.

- The leaders were evaluated on five different categories: Employee management, Business management, Cooperation, change management, Project Management.
- The leaders received an average score of 4 which is considered a "high" score based on a scale from 1-5.
- 99% of all employees answered the survey.

Clipper will continue to improve the feedback culture and specific initiatives will be initiated to support awareness on constructive feedback together with continues focus on building a leadership that foster a culture of trust and high-performance in teams.



DIVERSITY & INCLUSION

As a global shipping company, we especially pride ourselves in our international mindset. We encourage candidates with different backgrounds and of different nationalities to join, as we recognize that in our current globalized world, talent is no longer confined by physical borders. We provide equal opportunities for everyone and ensure that a position is always filled with the best candidate, based on the persons capabilities and mindset.

We are of the view that offering a diverse and inclusive working environment is an integrated part of being a sustainable business. We believe that diversity is any dimension that differentiates people and enables a diverse line of thought - for example background, education, age, nationality, ethnicity, race, experience, sexual orientation, or health status.

CLIPPER GROUP DIVERSITY POLICY

We believe that diversity at all levels of the organization gives us the largest possible recruitment base.

Diversity creates an innovative and inclusive work environment.

We want to respect and recognize the people we meet in our conduct of global trade irrespectively of cultural background.

One of the CSR goals is therefore to gather and employ minimum 10 different nationalities in Clipper Bulk. We are proud to have succeeded with this goal for the year of 2022, where Clipper Bulk employed as many as 14 different nationalities.

To continue the aim towards a diverse and inclusive workplace, we:

- Continuously review our processes and policies.
- Attend and work in network groups across the business together with Danish Shipowners where we assist with input and constructive dialogue.
- Participate in the Target Gender Equality Accelerator program arranged by UN Global Compact.
- Support Women in Shipping (WIS) which is a professional network with the aim of strengthening women in shipping, share experiences and build relations. Clipper's representatives participate in the WIS initiatives to ensure the continued diversity focus in Clipper.
- Intent to carry out training in unconscious bias, diversity, and inclusion during 2023.

Female employees & female managers

Female underrepresentation is a challenge not only for Clipper Bulk, but for the entire shipping industry. We have joined the charter for more women in shipping established by the Danish Shipping industry organization and have set goals for increasing percentage of female employees and number of female managers with people responsibilities. These goals have been adjusted and carried on in a policy on inclusion and diversity adopted by the Board during 2023.

We have ensured, that in all recruitment processes, we select relevant female and male candidates for interviews. We also want to ensure that there are no barriers within Clipper that hinder women from joining or being promoted due to their gender. We have set a goal that 33 percent of all employees in Clipper Bulk shall be female at the end of year 2022. Clipper succeeded with achieving this goal for third year

in a row with 37% of the employees being female end 2022. Furthermore, the number of female managers with people responsibility has increased from 3 to 4 during 2022, which represents 22 % of managers with people responsibility.

Female board members

Clipper Group A/S have a recruitment policy for board members, which includes a goal for female board representation. According to the policy, Clipper Group A/S board of directors should have at least one female board member elected by the shareholders before end 2022. The board currently consists of 4 male board members. The policy also stipulates that the chairman of the board shall propose at least one female candidate for vacant board positions.

There have not been any vacant positions on the board during 2022. Despite our commitment to diversity and inclusion no female board member has therefore yet been appointed. We recognize the importance of gender diversity, also at the board level, and the chairman of the board has throughout the target period had meetings with potential female candidates, in order to be better able to propose a female candidate for the shareholders once a board position becomes vacant.

PEOPLE IN THE OFFICES

People are our most valuable asset. Clipper believes that engaged employees are the driving force behind our success and the key to a great working culture of collaboration and personal growth. We continue to strive for an inclusive culture that values diversity and recognizes that each employee brings a unique perspective and expertise. We embrace open communication, transparency, and teamwork through a fail-safe environment, and we firmly believe that mistakes are opportunities for growth and learning.

Building trust among employees is essential for creating a fail-safe environment. Therefore, we always encourage our employees to take part in team-building trips and other activities worldwide. This helps them to connect with one another and build relationships across departments.

In 2022 Clipper organized several of teambuilding events, including a seminar for all employees at La Santa Sport in Spain. These trips have allowed employees to bond outside of the physical office, develop new skills together and foster a "no-blame culture".

Clipper also supports charitable initiatives from employees, during 2022 one of the initiatives was to contribute to the cause of fighting cancer by participating in an event "Cycling for Cancer" in Copenhagen, where employees and some family members came together to raise funds for the important cause.

In addition, Clipper organizes various sports events on a weekly basis. This includes amongst others a Padel-club in Copenhagen, Golf Club in Houston and soccer tournaments in Hong Kong. These sport activities promote healthy competition and physical activity, but also give our employees a chance to connect and have fun after working hours.

GUIDELINE AND LOCAL WORKING CONDITIONS

Clipper Bulk has a global policy guideline that applies to all employees in Clipper Bulk supported by local working conditions for all our offices around the world. In totality, these documents serve as a code of conduct for all Clipper Bulk employees with the purpose of ensuring that human rights and fundamental working conditions are observed by all.

COVID-19

The Covid-19 pandemic laid pressure on the entire global community and has had an enormous impact for our society and the global trade, a historic event which we in Clipper will endeavor to learn from. Covid-19 have had, and continues to have, enormous impact on working conditions and Human Rights, both the employees within Clipper and the entire value chain were affected also in 2022. This pandemic is however expected to have a decreasing impact on a global scale for the future.

LIFE-WORK BALANCE AND FLEX LIFE BENEFITS

At Clipper we recognize that maintaining a healthy life-work balance is essential to the well-being and productivity of our employees. We understand that employees are looking for flexible work arrangements that allow balance to their personal and professional commitments. To support our employees' well-being and provide greater flexibility, we are offering various possibilities:

- Combine office work with two working-from-home days a week.
- Flexible working hours to accommodate personal commitments outside of work.
- Reduced working hours.
- Different leave options for personal or family reasons.
- Retirement transition-support with shorter work week and financial planning assistance through our pension-provider.

Greater flexibility allows employees to adjust their work schedules to better align with their personal life. Clipper will continuously improve and expand our initiatives to meet the needs of our employees.

A Nomad-work story from Accountant, June Friedel: "Clipper gave me the opportunity to work full-time remote for a year in Thailand, in order to take care of close family needs after Covid-19. Clipper provided me with the necessary tools to work smoothly from Thailand and I come back with a lot of energy and thankfulness"

DATA PRIVACY & IT

We take our employees' right to privacy seriously and it is important to us that our employees, no matter where they are located, know that we take every measure possible to protect their personal data from being misused. Thus, our group policy on data protection and privacy also applies to employees located in countries where there are no prevailing data protection rules or regulations like GDPR. Our policy includes specific instructions on the processing of personal data and provides information on basic rights, such as the right to information on stored data and its deletion. This is further elaborated in a policy on Data Ethics adopted by the Board during 2022. Our policy is centered around four data ethics principles that we are committed to follow; 1. Transparency and openness – to ensure that our data ethics principles are clear and easily understandable, 2. Use of data and privacy – to uphold high standards in where and how we collect and use data, 3. Accountability and security – to ensure that data is secured and protected, and 4. Processes and policies – to maintain coherence with our IT Security and HR Personal Data Handling policies. The policy has been implemented throughout the Group and integrated in the relevant processes.



ENVIRONMENT & CLIMATE





CLIPPER GROUP ENVIRONMENTAL POLICY

Clipper Group maintains a precautionary approach to the environment and will continue to invest in smarter shipping technology to further improve environmental and financial performance

We always strive to keep abreast of new regulations and aim to comply with national and international regulations at all times

We continuously work to promote environmentally conscious local initiatives in Clipper offices.

DECARBONIZATION WORKGROUP

We want to meet the environmental challenges with collaboration and bright ideas for the future, which is one of the reasons that Clipper Bulk has formed a committed workgroup of different stakeholders within the company, including the CEO, to deal with decarbonization.

The workgroup explores as many aspects relating to decarbonization as possible. We acknowledge that we cannot lift the challenge by ourselves and seek to find partnerships. We are, furthermore, in dialogue with the Danish shipping community, technical forums as well as legal specialists about how we can ensure Clipper's role and how we best possible can contribute to a more sustainable future for the maritime industry.

CHARTERED VESSELS

Clipper Bulk's business model includes that we always will have a fleet of chartered in vessels. We wish to measure and report on environmental impact these vessels have, via its GHG rating with RightShip.

GHG Rating

Clipper has a partnership with one of the world's leading third-party maritime due diligence organizations, RightShip. The due diligence service provided is a rating on a vessel's greenhouse gas emission, GHG rating.

The GHG rating compares a vessel's theoretical CO₂ emission with vessels of similar type and size. This means that vessels are assigned a rating based on how their vessel design index compares to the average score for vessels of a similar type and size.

GHG rating is a dynamic model which allows benchmarking of vessels.

Clipper's goal for 2022 was that the chartered-in fleet should have an average rating of 3.0 or better, where category A represents a value of 1, category B a value of 2 and so forth. The rating for 2022 arrived at 2,8, which means that the goal for decreasing rating has been reached.

RESPONSIBLE SHIP RECYCLING

Clipper has a recycling policy committing us to ensure that fully owned vessels are recycled, as a minimum according to the principles laid down in the Hong Kong Convention, even though this convention is not yet ratified and in form. We will be actively involved in the recycling process and approve the recycling facility. We will inspect the recycling facility in order to ensure that the facility is able to carry out the recycling in a safe and environmentally sound manners and have adequate procedures in place.

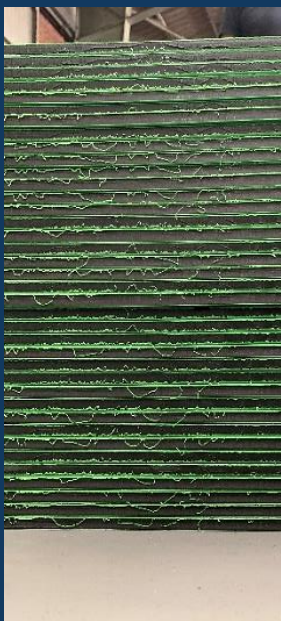
No Clipper vessels have been recycled during 2022.

GREENBAR HELPED US SAVE WOOD

Clipper has a well-established tradition for transporting steel for various steel mills and customers for decades. The transportation of steel requires safe stowage of the delicate cargo, which often include wooded dunnage. The wooded dunnage is going through a process which includes heat treatment and transportation to be considered safe for the purpose of transportation of steel and fitting the holds of the employed vessels. This is costly for the environment. Clipper has therefore established a partnership with a developer of Greenbar Dunnage, to reduce the use of wooded dunnage by using Greenbars.

Greenbars is partly produced by recycled material and have the great quality to be used repeatedly on shipments of steel. Greenbars travels onboard our vessels and does not need heat treatment. By using Greenbars to protect the steel cargo during transport, Clipper can save wood by not using the wooded dunnage to same extent as previous. Clipper is aiming to use the Greenbars in as wide extent as possible and by that reducing the footprint on the environment, without compromising the safe transport of valuable steel products for our customers.

Greenbar Dunnage is not only considered as a good contribution to circular economy and saving the use of wood, but it also prevents the spread of invasive species and pest from continent to continent, which can be considered as a good contribution to preserve biodiversity.



ANTI-CORRUPTION



As an international shipping company, Clipper faces the risk of encountering corrupt and illegal practices in various regions. We are acutely aware of the high-risk exposure to bribery and corruption entails and maintain a zero tolerance towards traditional bribery, such as kickbacks. In addition, we recognize the separate challenge posed by facility payments (small payments for services that the company is already entitled to). To address these challenges, we collaborate with the Maritime Anti-Corruption Network (MACN) in our efforts to combat corruption.

About MACN

The Maritime Anti-Corruption Network is a global business network working towards the vision of a maritime industry free of corruption that enables fair trade to the benefit of society at large. Established in 2011 by a small group of committed maritime companies, MACN has grown to include **over 180 companies** globally, and has become one of the pre-eminent examples of collective action to tackle corruption.



The collective action against corruption within the network of MACN has proven its worth and we have participated in contributing to some good practical results with our membership in MACN. Fighting corruption is an ongoing challenge for all stakeholders in the maritime industry and is best dealt with in cooperation between the stakeholders. We have to be aware that corrupt behavior will most likely develop with time and may move from the "traditional" trends we have experienced in the past with facility payments etc. to become more complex and difficult to see through and identify as corruption. This adds to the reason why Clipper continuously is looking into ways where we can improve our impact in a positive way and increase awareness of the subject not only with our employees but throughout our supply chain.

We are committed to train our employees in how to fight corruption, and 88 % of the employees have received training in Anti-corruption at the end of 2022. We will continuously train the organization to ensure that everybody is aware of and focused on these challenges.

Our goal to continue an active membership of MACN is also met.

SUMMARY OF FOCUS AREAS



Focus Area	UN SDGs	Goals 2020-2022	Progress 2021	Progress 2022
Human Rights & Labor Standards		<p>Retention rate shall be above 90% each year.</p> <p>Carry out a human rights risk assessment of Clipper Bulk before end 2022.</p>	<p>Retention rate was 95% ultimo 2021.</p> <p>Human rights risk assessment has not been initiated in 2021.</p>	<p>Retention rate was 92,4% ultimo 2022.</p> <p>Human rights risk assessment was carried out in 2022.</p>
People & Diversity	 	<p>Percentage of female employees shall be 33% at the end of 2022.</p> <p>Number of female managers with people responsibility shall increase each year.</p> <p>One female member shall be nominated to the board of Clipper Group A/S by the end of 2022.</p> <p>Number of nationalities shall be above 10 each year.</p>	<p>The total female employees ultimo 2021 was 35%.</p> <p>The number of female managers ultimo 2021 was 3.</p> <p>No female board member has been nominated in 2021.</p> <p>Clipper employs 13 different nationalities.</p>	<p>The total female employees ultimo 2022 was 37%.</p> <p>The number of female managers ultimo 2022 was 4.</p> <p>No female board member has been nominated in 2022.</p> <p>Clipper employs 14 different nationalities.</p>

Focus Area	UN SDGs	Goals 2020-2022	Progress 2021	Progress 2022
Environment & Climate	   	The average GHG rating as defined by RightShip shall for vessels chartered in by Clipper Bulk be rated 3.5 or lower for year 2020 and 3.0 for year 2021 & 2022 (Category A equals 1, Category B equals 2 etc.)*	Average GHG rating was 3.4 in 2021.	Average GHG rating was 2.8 in 2022.
Anti-Corruption	 	<p>Ensure Training of all employees.</p> <p>Continue active membership of MACN.</p>	<p>44% of employees were trained in anti-corruption by 2021.</p> <p>Active member.</p>	<p>88% of employees were trained in anti-corruption by 2022.</p> <p>Active member.</p>

* measured for vessels chartered in by Clipper or associated joint ventures for periods exceeding 6 months

COMPANY INFORMATION

Visit us at www.clipper-group.com, [Instagram](#), and [LinkedIn](#)

Clipper Group Ltd.

Sundkrogsgade 19
DK-2100 Copenhagen
Denmark
VAT No. 34 03 45 08
Tel: +45 49 11 80 00

Clipper Americas Inc.

750 Town and Country
Boulevard
Suite 550
TX 77024 Houston, USA
Tel: +1 713 953 2200

Clipper Group Hong Kong Ltd.

Suites 1702B-03, 17/F
625 King's Road
Hong Kong, China
Tel: +852 3895 4600

