

# ULTRANAV DENMARK APS SUSTAINABILITY REPORT 2021





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A partner  
you can  
trust

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This CSR report constitutes the statutory statement of social responsibility, cf. section 99a of the Danish Financial Statements Act, and covers Ultrabulk A/S, Ultragas ApS (incl. its ship management division UltraShip ApS) and Ultrana Business Support ApS. On 1/8-21 Ultragas and UltraShip merged their business activities and fleet with Navigator Gas.

# INTRODUCTION

Ultrana Denmark ("the Company") is a fully owned subsidiary of Naviera Ultrana Ltda, Chile ("Ultrana"/"the Group"), which is a major owner and operator of a diverse fleet of vessels, and which has been operating regionally and globally for more than six decades.

Corporate Social Responsibility has been supported by Ultrana throughout its history with a strong focus on supporting the staff and their families, local communities and the environment.

The fragility of the surrounding ecosystems and the potential impact from the operations have long since been acknowledged, and Ultrana has invested substantially and taken numerous initiatives aimed towards minimising the operational footprint on air, sea and land resources. The Company is also active in various committees and working groups in Danish Shipping, including the Technical Committee, the Climate Change Advisory Board, the Innovation Committee, and the Commercial Committee in order to actively participate in setting the direction for the industry.

Corporate governance is an important tool to drive sustainability and stable growth by amongst others encouraging the use of best practices, the empowerment and integrity of staff, and adopting fundamental safeguards in the management of all activities.

In developing and applying its own Corporate Social Responsibility systems, the Company respects and relies on the Ultrana adopted CSR principles, whilst introducing own specific requirements.

We are focused on providing efficient, safe and environmentally friendly maritime transportation services and to be a partner you can trust.

## SUSTAINABLE DEVELOPMENT GOALS

Ultrana and the Company are inspired by the 17 UN Global Goals for Sustainable Development, and throughout this sustainability report, we have highlighted which SDGs are relevant for each topic. Shipping as an industry has great potential to impact some of the global challenges we face as society, while also taking climate change into consideration.



## COVID-19

We continue to see regional waves of COVID-19 outbreaks, especially with the Omicron variant. Furthermore, factors such as the effectiveness of vaccines over time; human behaviour; infection prevention policies; and changes to the coronavirus itself also impact whether new COVID-19 cases are increasing or declining in certain regions.

COVID-19 accelerated the digital transformation of the entire world. New standards and procedures have been developed during the past years to the benefit of the Company, its customers and its employees alike.

## ULTRAGAS-NAVIGATOR GAS MERGER

In 2021, Ultragas and Navigator Gas merged their fleets and business activities. Hence, as of 1 August 2021 Ultragas and UltraShip are no longer part of Ultrana Denmark ApS.

In this sustainability report, we will include the activities of Ultragas and UltraShip for the first seven months of the year as well as relevant results as far as possible, but Ultragas and UltraShip will not be part of the outlook for 2022.



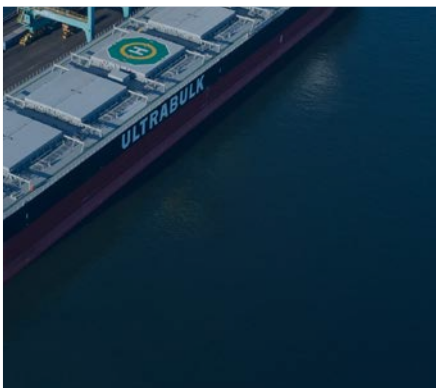
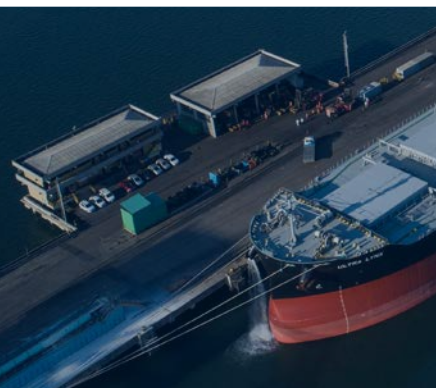
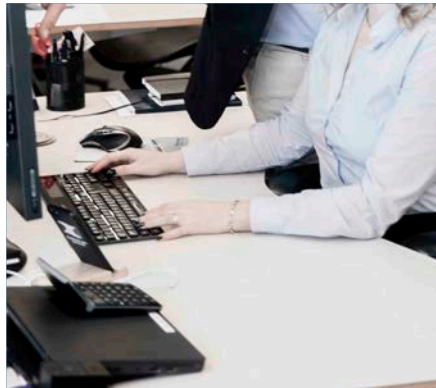
# WHO WE ARE



Ultragas is a leading gas carrier owner/operator and specialist in the transportation of liquefied petroleum and petrochemical gases. As per 1 August 2021, Ultragas and UltraShip have merged their business activities and fleet with Navigator Gas.



Ultrabulk is a leading global dry bulk operator, servicing customers within the Panamax, Supramax, Handysize, MPP and Parcel segments. We have offices in Copenhagen, Cape Town, Dubai, New York, Rio de Janeiro, Santiago, Singapore, and Sydney, and a fleet of 160+ vessels.



UltraShip is the inhouse technical management entity supporting the entire Ultragas fleet of 18 vessels, including technical supervision and vessel crewing. As per 1 August 2021, Ultragas and UltraShip have merged their business activities and fleet with Navigator Gas.



Ultrana Business Support provides professional services and support functions, including Finance, Accounting, Treasury, Operations Control, IT, HR and Communication, for the commercial offices of Ultrabulk, Ultragas and UltraShip.



# HOW WE WORK

Our core values are the DNA of the company, guiding us in our approach, making us a partner our customers can trust.



## INTEGRITY

We act in an ethical manner, focused on sustainability and safeguarding our reputation.

We encourage personal and professional development and a fair balance between work and private life.

We promote team spirit in a multicultural environment, without discrimination of any kind.



## PASSION

We believe that personal commitment and work well done makes a difference.

We challenge ourselves to create value and to exceed customers' expectations.

We are passionate about our work and our company.



## EXCELLENCE

We seek to contribute to competitiveness to our customers by anticipating and meeting their needs.

We encourage creativity and innovation, introducing solutions that are beyond the ordinary.

We strive to continuously improve the quality and effectiveness of services rendered.



## SAFETY

We are committed to developing and stimulating a safe working culture onboard ships and ashore.

We place safety first, to keep health, life, environment, cargoes, and assets free of risks.

We consider safety an integral part of our mindset and key to our business success.

Part of the large and diversified  
shipping group Ultrana



*Ultrana Denmark and all its  
subsidiaries are part of the  
shipping group  
Naviera Ultrana Ltda.*

A partner  
you can  
trust

# OUR BUSINESS

Combining vessels  
and cargo...

...on different types  
of contracts...

... transporting our  
customers' goods all  
around the world.

## VESSELS

**Owned**  
In-house ship management

**Chartered - Long term**  
6 months-10 years

**Chartered - Short term**  
< 6 months

**Pool vessels**

## CARGOES

**Bulk**  
Coal, fertilizer, minerals,  
pellets, petcoke, grain, steel

**Gas**  
LPG, ethylene,  
petrochemicals

## CONTRACTS

**COAs - Long term**  
1-10 years

**COAs - Short term**  
< 1 year

**Time Charter Out**

**Spot**

## MARKETS

**Global trades**

**Regional trades**  
Mainly Americas,  
Europe

# CLIMATE

It is estimated that the shipping industry accounts for transporting 80% of global trade, while being responsible for 2.5% of the global GHG emissions. (IMO)

## EMISSIONS

IMO is preparing milestone goals towards the 2050 target of 50% greenhouse gas (GHG) reduction from the international world fleet compared to 2008 figures. Fuels like LNG, LPG and methanol will in reality only reduce CO<sub>2</sub> by about 20% (tank-to-wake) and it is expected that hydrogen will be the main energy source either via ammonia or directly.

The potential use of scrubbers to avoid the emission of unwanted particles of NO<sub>x</sub> and SO<sub>x</sub> will marginally increase the emissions of CO<sub>2</sub> and the extra refining process required to produce additional marine gas oil (MGO) or other IMO compliant fuels will also result in some additional emissions of CO<sub>2</sub>. Thus, reducing NO<sub>x</sub> and SO<sub>x</sub> on the one side and reducing CO<sub>2</sub> on the other, does not quite go hand-in-hand.

It is important to emphasise that NO<sub>x</sub>, SO<sub>x</sub> and CO<sub>2</sub> emissions are not in the same category of pollutants. NO<sub>x</sub> and SO<sub>x</sub> affect the environment and human health, whereas CO<sub>2</sub> is a GHG and has a negative effect on climate and global warming.

In 2021 the Company has further invested in online monitoring, increased the focus on performance optimisation,

and invested in optimisation software, ensuring cargo is being transported in the most efficient and environmentally friendly way by reducing total bunker consumption. The fleet is installed with modern technology capable of transmitting real-time data originated by dozens of different sensors onboard vessels measuring among other things Main Engine and Auxiliary Machinery Consumption, GPS & Log Speed, Wind Speed/Direction, Vessel's Position and Course, RPM, Torque, Trust and Propeller Slip, Draft and Trim, and Rudder Angle. The information is processed by ©Marorka and ©SeaTrim trim adjustment software, and the output is used by the fuel efficiency teams to support the crews on the optimal parameters for navigation, in order to minimise the total bunker consumption at sea.

In 2021 Ultragas further invested in tools for online monitoring of main engine, auxiliary engines and boiler consumptions on further four vessels.

Unigas has initiated a development of a combined performance system and cargo reporting system replacing the current system GasVoy. The release of the system is expected to take place during spring 2022.

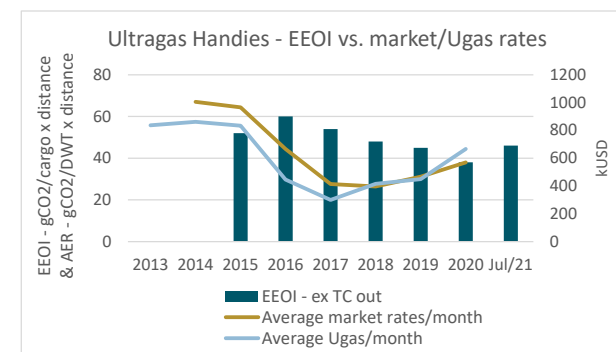


## RISKS

- GHG emissions have a negative impact on the climate.
- Excess/unnecessary consumption of bunkers/energy will have a negative impact on climate and the environment.

## RESULTS

EEOI (Energy Efficiency Operational Indicator). Emissions compared to cargo transported (unit: gCO<sub>2</sub>/tons cargo\*mile)



Comment: The 2021 January-August EEOI is higher due to the normal variance in market where the late spring/summer market rates are normally low. The full year EEOI for 2021 result is expected to be less than shown.

*Results continue on next page*

# CLIMATE

We are collecting credible data that in real-time tracks under-performance relative to sister vessels, docking intervals, paint types etc. rather than comparing charter party terms in hindsight. We will be able to target auxiliary engine and port consumption as well. Everything with a view to reduce the vessels' consumption by completing propeller and hull cleaning at the right time, using sister vessel comparisons to the underperforming ships, and document the benefits of upgrading hull paints. A KPI system has been developed enabling benchmarking amongst sister vessels and to follow trends and development in performance, incl. EEOI measures.

Also, thanks to the data collected by ©Marorka, we monitor the hull anti-fouling degradation and have in place a hull cleaning management programme, planning in advance hull/propeller cleaning at the most suitable place, avoiding having to sail with excessive fouling.

Ultragas has invested in another type of anti-fouling coating less sensitive to idle periods and has clear indications of significant savings during the first months after dry docking. However, a close focus on the expected degradation of the anti-fouling paint over a dock cycle of 5 years is needed in order to establish the full picture.

We have through the year launched pilot voyage performance optimisation talks with our customers to highlight the cost and emission transparency we currently offer and expect to have a voyage-by-voyage online overview ready as a standard in 2022. We deemed it absolute necessary to engage our customers in these talks in order to create the needed climate awareness among the stakeholders.

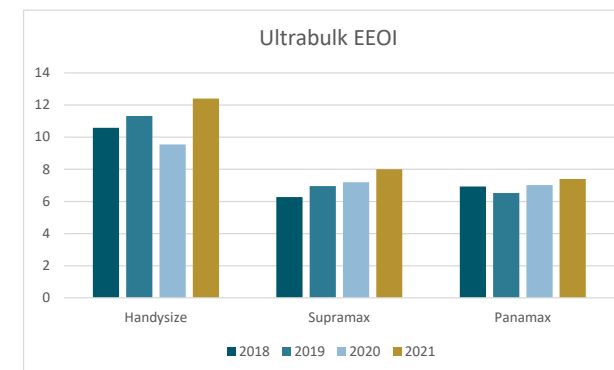
Together with an external provider, Ultrabulk is utilising own as well as industry and AIS data to reduce time spent in ports. This helps both to more accurately forecast logistical bottlenecks, and to reduce CO<sub>2</sub> emissions per ton transported. Part of this process involves mapping and establishing terminal standards and benchmarks that are subsequently shared in our fleet.

Back in 2020, Ultrabulk teamed up with another external provider to develop a tool combining technical and commercial information that enables our operation to take the right decisions on ships' optimal speed. The system excels in providing not only the optimal speed from a financial view point, but also helps highlight CO<sub>2</sub> emissions on all available speed settings. With this information, Ultrabulk is able to make slow steaming CO<sub>2</sub> savings transparent and verified towards our customers. The system is operational on our medium and long-term fleet and uses the vessel's own fuel tables, expected performance derived from our vessel performance system, and combines this with market information and updated weather data.

Slow steaming is often used to promote a shipowner's contribution towards CO<sub>2</sub> reductions. The reality is, however, that most often slow steaming is only done when it makes economic sense, i.e. when the fuel savings exceed the value of the time lost at sea due to slow steaming. Ultrabulk is therefore promoting the use of slow steaming, even if it is not economically viable, by being able to demonstrate CO<sub>2</sub> savings through a verified platform such as described in the aforementioned.



## RESULTS



Ultrabulk total = 8.9 (compared to 7.7 in 2020)

Comment: the 2021 numbers on the total fleet are slightly higher than 2020, because of the low market in 2020 and the much higher market in 2021. This has resulted in a speed increase on the global bulk fleet with a DWT of 10,00-100,000 of roughly 2.6 %, which is quite an increase. Furthermore, our fleet has spent 4 percent points more time in port than in 2020. This also increases EEOI since it is time where we consume, but it has no distance.

For the handysize fleet specifically two factors have been significant. Firstly, our MPP segments of very small ships are included in the handysize segment and the MPP activity has increased since they are a direct competition to the burning hot container market. This has a negative effect on EEOI since they have a combination of small cargoes and very long legs of sailing which gives a higher EEOI. The second reason is similar, since the handysize segment in general is mostly affected by the container market, it has seen a higher increase on 2021 in speed compared to the other segments. Furthermore, we have done more parceling with only partly loaded ships during the year that also affects the EEOI negatively.



# CLIMATE

## ALTERNATIVE FUEL SOURCES

Ultrabulk is tracking closely the development of engine technology and vessel design as it relates to alternative fuel types such as ammonia, methanol and hydrogen.

## ENERGY EFFICIENCY OPERATIONAL INDICATOR (EEOI)

The EEOI is a monitoring tool for managing energy performance over time. EEOI allows operators to measure a vessel's fuel efficiency per metric tons of cargo moved including the consumption from the connecting ballast voyage. The monitoring of EEOI may assist in identifying decrease in performance, compare sister vessels, and identify opportunities for improvement of vessel performance, impact of trading patterns and decisions as to speed instructions depending on market fluctuations, as well as to follow the impact of initiatives taken.

## DECARBONISATION

The IMO has defined the GHG strategy to reduce the carbon footprint of international shipping. UltranaV has set the goal of exceeding the ambition of the IMO GHG strategy, which is to reduce the CO<sub>2</sub> intensity by 40% in 2030 and total emissions by 50% in 2050 compared to 2008 figures. This goal has been formalised in the Decarbonisation Strategy which is the framework for both ongoing and future initiatives according to eight inter-connected pillars that will navigate us into a lower emission future.



## OUTLOOK

\*The outlook is updated for Ultrabulk only, since Ultragas and UltraShip have merged their business activities and fleet with Navigator Gas as of 1 August 2021.

Ultrabulk will benchmark the fleet against new IMO measures to prepare for a 40% increase in vessel efficiency in 2030. The measures to be used are EEXI, CII, EEOI and market factors.

We will continue supporting the development of a non-fossil fuel for the IMO 2050 goal incl. understanding the commercial impacts of using such a fuel.

Ultrabulk has started a project to improve auxiliary consumption both at sea and in port by having a closer dialogue with vessel crews and by using the data from our online monitoring tool. Initial tests show promising results and we expect this to have a notable impact on auxiliary consumption. Project will continue in 2022 where we aim to broaden the scope. We have a similar focus on scrubber fitted vessels and the extra auxiliary consumption related to same.

Ultrabulk will continue to follow and take swift decisions on cleaning of all ships we have for more than nine months which is around 60-70 ships. We also aim to do propeller cleaning on all vessels at least every 6 months incl. a bottom fouling report.

We will increase the usage of the improved speed calculation tool (developed with ZeroNorth) aiming at full usage on the fleet under our control for at least six months at the time.

As operators, the most important environmental day-to-day decisions are whether or not to take a vessel into the fleet. We use tools to ensure a clear expectation of speed and consumption, and thereby environmental footprint, before adding a vessel to the fleet.

We aim to create awareness with shipowners on super slow steaming, allowing us to sail using only 10-15% of MCR.

We will work with owners of our long-term vessels to improve hull paint and other initiatives reducing the environmental impact of our long-term fleet.

# CLIMATE

“For us at UltranaV, contributing actively with concrete steps aimed at achieving a transition to zero emissions in the shipping industry is a significant part of our decarbonisation strategy.” Jan Vermeij, CEO at UltranaV

The Decarbonisation Strategy is focusing on the following climate targets:

- By 2022, UltranaV will define a pathway aiming to achieve a neutral carbon footprint in its land-based operations and administration.
- By 2030, UltranaV is committed to reducing the carbon intensity of the operated fleet preferably by 50%, but at least by 40% compared to 2008.
- UltranaV will drive initiatives with the objective of predominantly deploying zero emission vessels in domestic trades by 2045.
- By 2050, UltranaV is committed to deploy a zero emission fleet in international commercial operations.

In 2021 UltranaV joined the Call to Action for Shipping Decarbonisation as one of the initial 150 signatories. The Call to Action was initiated by the Getting to Zero Coalition ahead of COP26 in Glasgow in November 2021 with the aim to call on governments to work together with industry to deliver the policies and investments needed to reach critical tipping points in decarbonising global supply chains

and the global economy. Full shipping decarbonisation can only happen at the required pace and scale if the national and international policies close the price gap.

UltranaV is following the IMO development of short-term measures, and even though the measures are not finally decided yet it seems that EEXI, CII and to a certain point EEOI will be used. We have therefore initiated the first studies ranking our fleet up against the expected requirements even though the rules and guidelines are currently not finalised. This work will continue for the years to come meeting and preferably exceeding the IMO requirements.



## ASSOCIATIONS



GLOBAL  
MARITIME  
FORUM

Unleashing the  
potential of the global  
maritime industry

UltranaV has joined the Getting to Zero Coalition, an industry-led platform for collaboration organised by the Global Maritime Forum, the Friends of Ocean Action and the World Economic Forum.

The ambition of the Getting to Zero Coalition is to have commercially viable Zero-Emission Vessels operating along deep sea trade routes by 2030, supported by the necessary infrastructure for scalable zero-carbon energy sources.

In 2021 the Getting to Zero Coalition initiated the Call to Action for Shipping Decarbonisation in the lead up to COP26 to call on governments to deliver the policies that will supercharge the transition and make zero emission shipping the default choice by 2030. UltranaV joined the Call to Action as one of the initial 150 signatories.





# ENVIRONMENT

Conscious care of the environment starts by managing the immediate operational impacts. We strive towards minimising our environmental footprint.

## OIL SPILLS

As is the case with all vessels in service worldwide, the Company owned vessels are using oil for various purposes on board and thereby potentially posing a risk to the environment in case of a spill. Proper procedures to prevent oil spills and/or to handle potential oil spills are provided on board and crew members are thoroughly trained, including via drills to act accordingly. In addition, the Company conducts annual emergency exercises covering oil spills involving vessels and relevant third parties.

## SHIP RECYCLING

The Company is strictly following the Hong Kong Convention, EU Ship Recycling Regulation and other applicable regulations in relation to health, safety and environmental issues when it comes to ship recycling. When ships in the past have been recycled, the Company has been auditing the recycling facilities in order to verify proper compliance.

## WASTE MANAGEMENT

Garbage from vessels is sorted out and disposed of in accordance with international regulations and local legis-

lation in the host ports. The Company endeavours to land garbage ashore in ports for recycling, wherever facilities are available and in compliance with local regulations.

Slops generation is always monitored, and efforts are taken to reduce same. The disposal of slops is handled in strict compliance with MARPOL and local regulations.

## INVENTORY OF HAZARDOUS MATERIALS

Lloyd's Register defines Inventory of Hazardous Materials (IHM) as: *a structured system to control hazardous materials onboard ships and achieve compliance with the EU Ship Recycling Regulation (EU SRR) and Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships.*

IHM demands that companies keep control with the materials they buy, and that they maintain a structured record of the hazardous materials contained in the products bought for installation onboard.

Several internal teams play a key role in the structuring, implementation and continuous upkeep of this system, and the Company has contracted with an external provider,



## RISKS

- Oil spills disrupt the local marine eco system.
- Incorrect handling of ship recycling has a negative impact on environment and safety.
- Waste not disposed of correctly has a negative impact on environment.

## RESULTS

2021	UltraShip/ Ultragas	Ultrabulk (via 3rd party manager)
Oil spills	0	0
Waste management violations	0	0
IHM	0	0
BWT violations	1	0

Comment about IHM: First reporting year is 2021. All applicable vessels have been through a screening process and Statement of Compliance are issued. The Procurement Department has developed a system keeping control of all purchased and onboard-delivered supplies in order to keep track of possible prohibited substances or materials. No Class observations reported.

# ENVIRONMENT

specialised in this area, to scan for these materials, and ensure a dedicated database is kept up to date with data and documentation.

Documentation to establish contents of materials delivered must come from the suppliers, and contracts are being updated to include responsibilities related to IHM.

## SUSTAINABLE PROCUREMENT

The Company has a Sustainable Procurement Policy to continuously improve environmental footprint, as well as socially responsible purchasing of goods and services.

The main areas covered in the policy are the following:

- **Plastics** - reduction (with an objective to eliminate) both in purchased goods and in the supply chain

- **CO<sub>2</sub> (Carbon Footprint)**
  - Goods (alternative products – enhanced assessment of suppliers)
  - Services (emissions in the downstream supply chain)
- **Disposal**
  - Garbage to be disposed of in a responsible manner (commitment by suppliers)
  - Recycling (focus on increasing the share of recyclable goods)
- **Anchors for standards**
  - Eco Vadis, IMPA ACT & Green Business Bureau (GBB), Global Compact

Suppliers supporting the targets of the Sustainable Procurement Policy will be preferred over suppliers who do not.



## OUTLOOK

\*The outlook is updated for Ultrabulk only, since Ultragas and UltraShip have merged their business activities and fleet with Navigator Gas as of 1 August 2021.

Continuous reduction in bunker consumption, which will lead to a reduction in NO<sub>x</sub> and SO<sub>x</sub>.

Continue to aim for zero Port State detentions due to BWMP violations and max 4 Port State deficiencies.

Aim for 0 oil spills and waste disposals into the water, or any other kind of violation.



# HUMAN RIGHTS

With integrity being one of our core values, we support the protection of human rights and believe that all persons shall be treated with dignity and respect.

## DIVERSITY

Company staff is comprised of numerous nationalities, cultures and age groups. This is considered an asset and the Company appreciates the diversity. The Company is committed to maintaining a workplace free of harassment and discrimination for any reason, whilst assuring work/life balance and flexibility.

Diversity can be many things such as (but not limited to): Race and ethnicity, age and generation, gender and gender identity, sexual orientation, religious and spiritual beliefs, etc.

## ACCESS TO EDUCATION

Through UltraShip Crewing Philippines Inc. (UCPI) we have in the past supported a local elementary school. The school is placed in rural area and is solar powered. Due to the COVID-19 pandemic, schools have mostly been closed throughout 2021.

Through UltraShip, we are offering cadetship for Filipino seafarers (our primary crew employment area) as part of their maritime educations.

In addition, during 2021 UltraShip started offering sailing internships for Danish Marine Engineer or Master Mariner students as part of their education, thereby contributing to developing new talents to future vessel and shore employment.

## CHARITY

Through UCPI we have in the past arranged collections and various relief efforts and by donating supplies and sanitary items in connection with local hurricanes. Also, in 2021 UCPI donated furniture, equipment and medical supplies to the Velasquez Health Center in Tondo Manila.

## WHISTLEBLOWER PLATFORM

Since 2018, UltranaV has a verified whistleblower system in place and encourages any stakeholders to file a report if they observe any violations of human rights.

Crew members in the fleet, who primarily have access to shared IT equipment, will often prefer to use private devices, hence, we have received minor observations or concerns to trusted onshore employees through Facebook Messenger or WhatsApp.

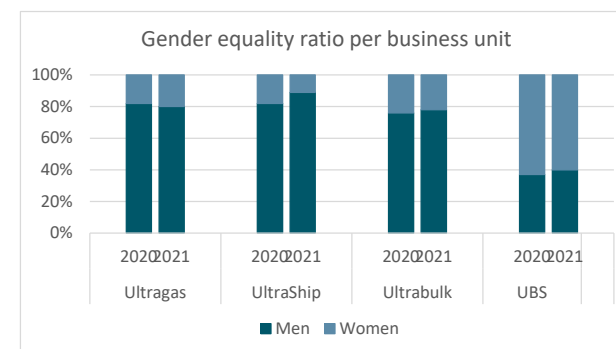


## RISKS



- A uniform staff may show a lack of competencies, limited perspectives and limited role models.
- Even though the company works to prevent harassment or discrimination, it will still be a risk.

## RESULTS

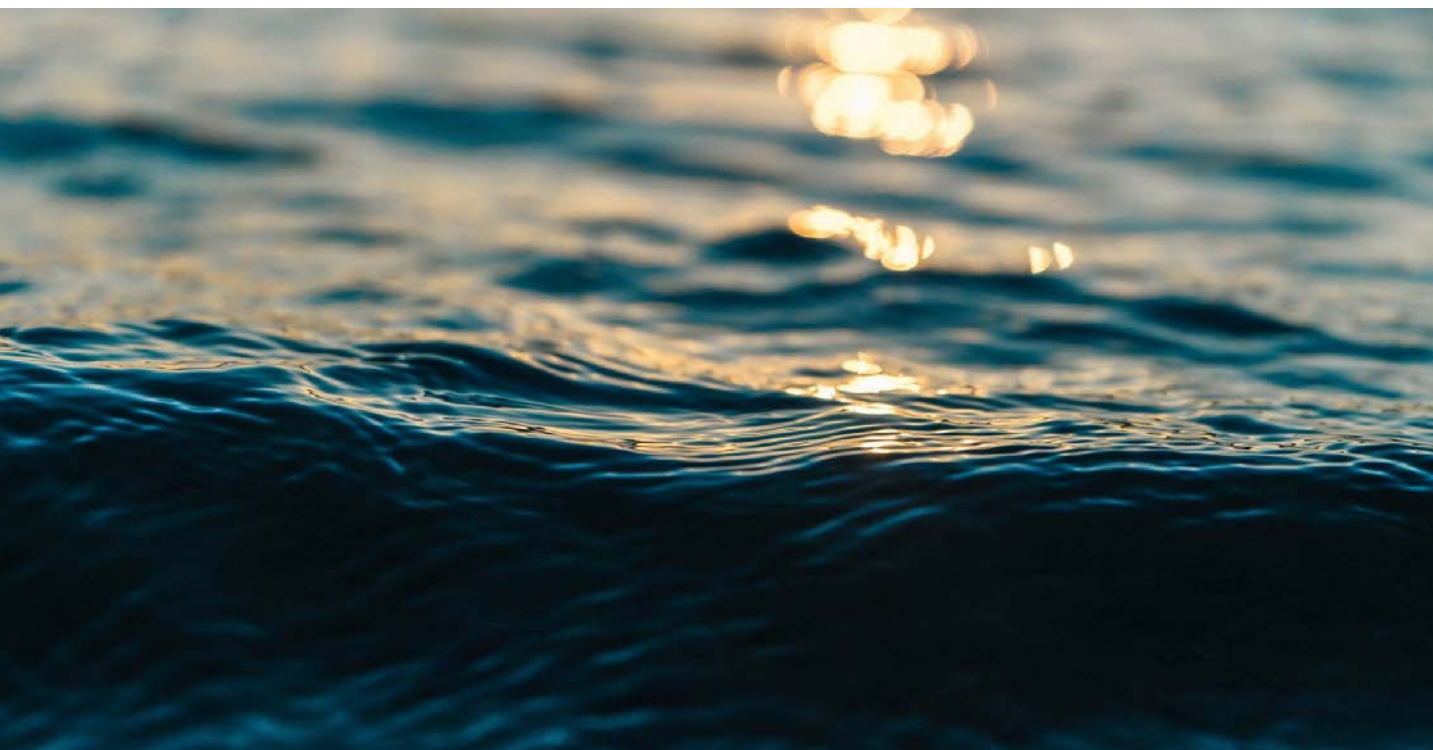


# HUMAN RIGHTS

Generally, we encourage all employees to report observations or concerns through any channel they prefer. We have pledged to protect the anonymity of the reportee, if he/she so desire, should the observation lead to any further actions.

## MODERN SLAVERY ACT

The Company supports the UK Modern Slavery Act and its objective to eradicate forced labour and human trafficking. We strive to live up to this responsibility by insisting on honesty, integrity and fairness in all aspects of our business and we expect the same in our relationships with all those with whom we do business.



## OUTLOOK

\*The outlook is updated for Ultrabulk only, since Ultragas and UltraShip have merged their business activities and fleet with Navigator Gas as of 1 August 2021.

To continue to have a diversified and gender balanced staff composition as well as an inclusive working culture.

To have a balanced selection of men and women for all vacancies.

Gender equality ratio for graduates: 50/50.

Gender equality ratio for all hires: 35% women/65% men.

Set up initiatives to have more diversity in the management group.

Define relevant actions to attract and retain more women in shipping based on initiatives defined by Danish Shipping.

Offer career development activities for women and emerging female managers.

Review terms and implement support programme before, under and after maternity/paternity and parental leave.



# SOCIAL & LABOUR

Strict working policies are in place regarding working/resting hours, drugs/alcohol, harassment and welfare in order to ensure a healthy and motivated staff.

## EDUCATION

Over the years the Company has developed and fine-tuned its intensive two-year trainee programme consisting of theoretical studies at the Danish Shipping Academy and hands-on training in different departments. Each year the Company employs new trainees, and they are often offered a full time position when they graduate.

The Company encourages its staff to participate in courses and seminars on relevant topics, as well as joining business schools/business programmes including the Danish HD and MBA courses. Training varies from master classes and leadership courses to courses targeted towards a specific skill such as Accounting, Bills of Lading Masterclass.

In April 2021, a workshop related to diversity, inclusion and unconscious bias was offered to all employees.

On the crew side, UltraShip opened the first two trainee positions for Danish Marine Engineer and Master Mariner students, thereby offering the sailing time on board Company vessels. Completing sailing time is a prerequisite to continue their maritime educations. The Company recog-

nises the importance of educating the future talents and actively contribute to that by providing trainee positions.

## RETENTION

The Company invests in the educational and personal development of all employees to maintain a motivated and skilled staff and to ensure a high retention rate. Main focus areas include performance evaluation, career programmes and promotions, training and labour inclusion.

For sea-based staff employed directly by the Company, the aim is for a retention rate of >95 %. For office staff we aim for a retention rate of >85 %.

By maintaining an attractive working environment, continuous personal and professional development opportunities and a proper remuneration system, the Company seeks to retain its valuable staff. As part of a global shipping group, we are able to offer career opportunities in different geographical areas.

A large part of the staff has more than 10 years of seniority, and we are also monitoring the retention rate on newly hired employees (1-2 years' seniority).



## RISKS FOR CREWS

- Unsafe working procedures may result in fatalities or injuries happening to crew on board vessels.
- Insufficient and undefined safety culture ashore and at sea may present a safety risk.
- Crew changes subject to significant delays due to COVID-19 resulting in lengthy stays on board.
- Lack of rest may result in reduced concentration which may result in accidents and incidents.
- Greater risk of accidents or incidents on board vessels if crew is under the influence of drugs or alcohol.
- Unqualified staff may lack proper safety behaviour and may cause accidents and incidents.

## RISKS FOR STAFF

- Without a healthy working environment it can be difficult for the Company to retain and keep high-quality talent.
- A high turnover may lead to unmotivated staff and lack of productivity.
- Harassment negatively impacts the working environment.
- Employees may feel unmotivated if they are not offered the opportunity to develop on a professional as well as a personal level.
- Employees without the proper educational background, training and experience may show lack of competencies and limited perspectives.

# SOCIAL & LABOUR

## ENGAGEMENT

In 2021 a companywide engagement survey was carried out to provide insight into the staff's perception of the working conditions. The output enables us to measure, understand and improve our organisation's functions, create fulfilling jobs and make meaningful changes to the benefit of our employees and the organisation alike. Overall, the survey shows a positive result and several activities have been launched in order to improve or maintain the engagement.

## HARASSMENT

The Company will not accept any form of harassment towards employees as stipulated in the Harassment Policy. Appointed go-to-persons, being immediate manager, top management, HR department, Work Environment Committee, and the whistleblower platform, are trained in handling reports or observations of harassment.

The management team has been trained to act on reports of harassment, bullying or sexual harassment. The management team continuously evaluate the working environment in order to prevent a culture of harassment arising.

## COVID-19

Throughout 2021, the Company had a high focus on the physical and mental wellbeing of our colleagues. The COVID-19 pandemic continues to have substantial impact on the operation of and for seabased employees. Travel and logistics have been considerably more challenging with many ports essentially closed for crew changes. The

Company has actively deviated vessels to complete crew changes in another port to keep overdue contracts to an absolute minimum and to ensure that crew members are not kept on board longer than strictly necessary.

In addition, the Company covered arrangements and costs for vessels calling US ports, where vaccines were made available to the crews (1-shot vaccine). Consequently, during the reporting period, 177 crew members on board UltraShip managed vessels received vaccinations in US ports during their contracts on board or on their way to/from assignment.

For office staff, online training with light physical exercises was offered while working from home.

## SAFETY

In 2021 we continued the Safety Leadership courses (for officers) and Safety Mindset courses (for ratings), but due to the pandemic, courses were converted from 'normal' classroom sessions to online sessions. We expect to have all crew members through the applicable course by 2022. In 2022, we will launch a Company specific 'refresher' training course.

All Company vessels pass through two Safety Delta cycles (Diagnosis, Dialogue, Development) each year to evaluate on board Safety Culture. The ship-shore dialogue is highly important and conducted via phone, but we aim at conduct this Dialogue in connection with a visit to the vessel by the office staff (internal audits, technical inspections, others), alternatively via online meeting, or as a last stand, via phone.



## RESULTS

Lost Time Injury Frequency (LTIF) = 0.33 (per 31/12-21 and 12 months back in time)

Total Recordable Case Frequency (TRCF) = 0.99 (per 31/12-21 and 12 months back in time)

0 violations reported on the zero drugs/alcohol policy on-board vessels under Company shipmanagement.

93.1% seafarers retained (per 31/12-21 and 24 months rolling).

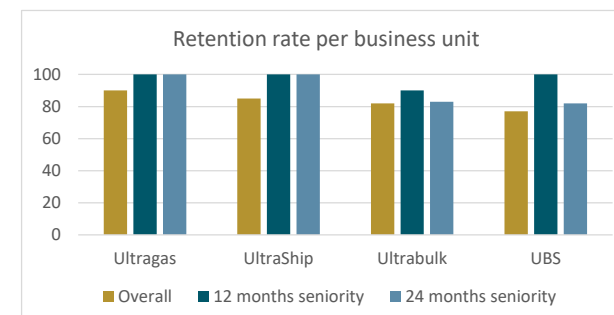
Each crew member on all vessels have passed through 2 cycles of Safety Delta in 2021.

The no. of new health insurance cases decreased for both mental and physical health compared to 2020 figures.

0 cases of harassment reported.

	Ultrabulk	Ultragas	UltraShip	UBS
Av. training days per employee	0,85	0,26	0,69	1,81

Comment: The average no. of training days is lower than expected due to COVID-19.



# SOCIAL & LABOUR



## ULTRASAFE

In the pursuit of establishing a best-in-class safety performance, UltranaV has launched a global safety development programme – the UltraSafe programme – designed in accordance with UltranaV's core values: Integrity, Excellence, Passion and Safety, and with the aim to create a safety culture which is resilient and strong and which is respected and adopted throughout the organisation.



## THE SAFETY I'S

UltraSafe is based on five behavioural patterns, the Safety I's: Insight – Intervention – Influence – Innovation – Integration, which means that;

- We constantly seek and share **INSIGHT** to reach the goal of zero incidents.
- We create an environment where it is possible to **INTERVENE** and let ourselves be intervened whenever we see unsafe behaviour.
- We show strong team spirit where we positively **INFLUENCE** each other.
- We strive to be **INNOVATIVE** in the way we manage safety.
- We **INTEGRATE** safety considerations into all aspects of our work processes and behaviour.

## THE SAFETY DELTA

To ensure continuous improvement of our safety performance, especially for our crews at sea, UltranaV engages in the Safety Delta concept to build and maintain a proactive safety culture. It is a circular process of three stages based on crew perception of the safety onboard;

- Crew makes a **DIAGNOSIS** of the vessels safety condition by answering a survey about safety practices on board.
- **DIALOGUE** about the report results and improvement opportunities is conducted among crew on board and between ship/shore.
- Specific **DEVELOPMENT** actions are defined, planned and executed on board to improve the safety conditions.



Source: Green Jakobsen.

## OUTLOOK

\*The outlook is updated for Ultrabulk only, since Ultragas and UltraShip have merged their business activities and fleet with Navigator Gas as of 1 August 2021.

We aim to arrange a workshop in Q1 2022 with our health care provider to inform employees about the benefits of the Health Package provided by the Company.

We continue to aim for a harassment-free workplace. Initiatives will be defined in order to create more awareness about harassment and discrimination through education, onboarding and management communication.

Employees as well as management to be presented with opportunities to participate in courses that aim to develop their skills. In average each employee receives two days of education each year.

Support students in their professional development by offering opportunities such as internships and student assistant positions.

Evaluate training needs and offer relevant leadership development opportunities to managers and future talents.



# ANTI-CORRUPTION

As a member of Maritime Anti-Corruption Network (MACN), we work for a maritime industry free of corruption that enables fair trade to the benefit of society at large.

## FACILITATION PAYMENT, BRIBERY AND EXTORTION

The Company is strongly committed to a strict compliance worldwide with relevant laws prohibiting bribery, defined as “any conduct to influence the decision-making of public officials, government authorities or to an employee, agent, partner or other auxiliary person of a third party in the private sector – be it directly or through agents or other intermediaries – with the purpose of securing an undue action or advantage”. No employee at any level may offer, promise, authorise or give anything of value to any public official in any country, or to any third party in the private sector, in order to gain any improper business advantage of any kind. Nor may any employee solicit or accept any form of bribe from any person.

The Company is equally committed to the elimination of facilitation payments, defined as “small value payments or gifts (e.g. cigarettes, soft drinks, cash or other items of value) to low-level public officials in order for him or her to perform a task that the payer is already entitled to receive.”

The Company offers training to all employees, on board and ashore, on how to act and react if met with demands of bribery or extortion.

The Company offers online training courses on anti-corruption to all, and extended training on how to handle bribery and extortion at sea for seafarers.

Through our membership in MACN we have been engaged in the development of a new e-learning platform that was introduced in October 2020 and all employees participated in the anti-corruption e-learning programme in 2021. Furthermore, we continuously report on facilitation payments and participate in MACN sessions and debates related to countries where facilitation is known to occur.

## WHISTLEBLOWER PLATFORM

Ultrana has a verified whistleblower system in place in order to ensure transparency and openness as well as to give any stakeholder, be it employee, customers, suppliers or any other stakeholder a platform to raise any doubts they may have about the way Ultrana conducts its business.

## RISKS

- Facilitation payments and bribery interfere with global trades and encourage dishonesty and criminal actions.

## RESULTS

0 bribery payments.

All employees have passed the MACN anti-corruption e-learning programme. It is part of the onboarding programme to take the test within the first two months of employment.

## OUTLOOK

\*The outlook is updated for Ultrabulk only, since Ultragas and UltraShip have merged their business activities and fleet with Navigator Gas as of 1 August 2021.

All employees (staff/crew) receive proper training within the first six months of employment.

We will continue to aim for no bribes and reduce facilitation payments to zero.



# ANTI-CORRUPTION

The platform operates with the support of Corporate Integrity, an independent consultant company which guarantees the process confidentiality. Corporate Integrity is responsible for bringing queries or complaints to the

Ethical Committee, located within UltranaV headquarters in Chile, from where each query or complaint is monitored, evaluated and shared with the relevant business unit.



## ASSOCIATIONS



UltranaV Denmark is an active member of the Maritime Anti-Corruption Network (MACN), a collaboration of some of the world's leading shipping companies aiming to eliminate facilitation payments and other forms of corruption in the maritime industry.



Ultrabulk A/S is certified in anti-corruption and transparency by the globally recognised organization TRACE. TRACE accredits transparency in good business practices through annual certification.

# ULTRANAV DENMARK APS SUSTAINABILITY REPORT 2021





# Appendix: Accounting practices

## for non-financial KPIs

TOPIC & KPI	ACCOUNTING PRACTICE
<b>CLIMATE</b>	
EEOI - Energy Efficiency Operational Indicator	gCO <sub>2</sub> emission per ton-mile of transport work done by the fleet. Calculation: (mass of fuel consumed * fuel to CO <sub>2</sub> mass conversion factor) / (MT Cargo carried * total distance sailed). Includes all voyages on owned vessels and vessels taken in on time-charter where they are not sent out on time-charter again. Time-charter: when the vessel is time-chartered out we are leasing the vessel to someone else and do not have control over the usage of the vessel, therefore we do not find it relevant for our EEOI numbers.
Vessel specific & updated speed & consumption tables on long-term fleet.	No. of updated speed & consumption tables: No. of long-term vessels and no. of new tables per quarter. Only measured for the long-term fleet in Ultrabulk. Long-term vessels are defined as vessels that are in our fleet for three years or longer.
Boiler consumption alerts	To ensure that the oil-fired boiler is not running during normal operational load on the main engine at sea. Alerts are occurring when oil-fired boiler records fuel consumption at vessels speeds > 5 knots and a continues period of 5 hours. Alert are forwarded to UltraShip
Aux engine consumption	To ensure the auxiliary engines are operated in the most optimal way and load depending on the power demand, an automatic alert is set to notify when two or more aux engines are running below 85% load for one aux engine in more than 6 hours, at more than 5 knots and no cooling. Valid for seven of our gas units.
<b>ENVIRONMENT</b>	
Calculation of sulphur emissions	The max allowed Sulphur content in bunker consumed world wide (for non-scrubber vessels) is 0.5% and in 0.1% in SECA. Calculation: LSFO consumed * 0.5% & MGO consumed * 0.1% = emitted tons of Sulphur.
No. of violations with ECA zones	No. of vialoations with ECA zones. ECA zones are sea areas in which stricter controls were established to minimize airborne emissions from ships.
No. of Port State detention due to BWMP violations	No of code 30 deficiencies (PSC detention) due to BWMP violation.
No. of Port State deficiencies	No. of any deficiencies due to BWMP violation.
Vetting BWMP related observations	No. of of vetting inspection observations as per SIRE V.I.Q.
No. of spills into the water on owned vessels	No. of effluent spills in the water from Company vessels - irrespective of size.
No. of vessels recycled as per HK Convention	No. of vessels recycled vs. no. of vessels recycled as per HK Convention.
No. of waste disposals into the water	No. of waste disposals NOT disposed to shore reception facilities or incinerated.
No. of waste disposals into the water	No. of deficiencies / No. of PSC inspections in Company fleet.
<b>HUMAN RIGHTS</b>	
Gender equality ratio	Includes everyone employed at the offices managed by the DK-HR Department. Calculation: No. of female or male employees / the total no. of employees.
No. of nationalities	No. of nationalites across shore based staff.

# Appendix: Accounting practices

## for non-financial KPIs

TOPIC & KPI	ACCOUNTING PRACTICE
<b>SOCIAL &amp; LABOUR (CREW AT SEA)</b>	
Lost Time Injury Frequency (LTIF)	LTIF (Lost Time Injuries Frequency) is the number of lost time injuries, where a person is away from his/her job for more than 24 hours per 1 million workhours. Measured for employees at sea only.
Total Recordable Case Frequency (TRCF)	The sum of all work-related fatalities. Measured for employees at sea only.
No. of vessels that have implemented a correct rest/working hours reporting culture onboard	Lack of rest may result in reduced concentration which may result in accidents and incidents, so all vessels must have implemented a reporting culture.
Alcohol/drugs violations	There is a greater risk of accidents or incidents on board vessels if crew is under the influence of drugs or alcohol, hence we have a zero-tolerance policy when it comes to alcohol/drugs.
Percentage of seafarers retained	Retention rate = (New hire retained / no. of hired Employees) * 100. Calculation is based on Intertanko Formula.
No. of crew members on all vessels to pass through Safety Delta cycles in 2020	Each crew member on all vessels shall pass through a number of measuring cycles through Safety Delta in 2020. Includes all seafarers hires by our inhouse shipmanagement. No. of seafarers who have participated in the Safety Delta Cycles.
<b>SOCIAL &amp; LABOUR (STAFF ASHORE)</b>	
Statistics from Danica on physical/mental issues, based on the use of our health insurance programme	No. of employees who used the insurance provided by the company. Includes only shorebased staff working out of Gentofte, DK.
Retention rate (YTD)	Retention Rate = (1 - (Resignations / ((average)Total Employees)) * 100. Includes only employees who have resigned, and not employees who have been asked to leave or contractors who have completed their contractual period.
No. of incidents reported in 2020	No. of internal harassment incidents reported. Harassment can be sexism, racism and other experiences of intimidation or pressure.
Average no. of education days per employee per year	No. of training days reported. Includes every training, course, seminar, any extra degree (university, college) that the company invest in (online, eLearning, face to face, etc.) for the employees to improve soft and/or technical skills.
<b>ANTI-CORRUPTION</b>	
% employees trained	No. of staff (shore and off-shore) who have completed e-learning course measured against total number of employees.
No. of bribery payments	No. of reported bribery cases. As a result of 6000+ port calls per year, we meet demands for facilitation and bribery in many areas of the world.