

Environmental, Social and Governance

Wilson ASA

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WILSON



Photo: Alexey Maklakov

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BOARD STATEMENT

The main focus of the Company is to offer industrial customers a competitive, reliable and flexible service. Wilson works actively with sustainability and consider this fundamental to offer attractive and competitive services for the Company's customers, both today and for the future. In 2020, the Board of Directors therefore conducted a strategy seminar with the sole focus on sustainability and the environment. The company always complies with the applicable requirements within ESG related topics and shall be at the forefront of future requirements. Wilson has set itself the goal of complying with the International Maritime Organization (IMO)'s ambitious requirements and goals for reducing harmful environmental emissions, both to air and sea.

The Company offers sea transport to the European industry. Sea transport is considered the most environmentally friendly way of transporting goods. However, Wilson wants to take an active position to participate in the transition towards a more sustainable maritime industry. Vessels owned by Wilson are already prepared for use of shore power, and the Company collaborates with both the Port of Rotterdam and the Port of Amsterdam to find solutions for the use of shore

power to reduce CO₂ emissions and noise. The Company also participates in a project named "Green Shipping Program" to assess future fuel alternatives.

Low speed, low consumption and almost half the time in port is the Company's starting point. Emissions of CO₂ are sought to the minimum the company can achieve with an efficient operation. A fleet of more than 120 ships that cover long-term freight contracts for Norwegian and European industry in combination with spot voyages enables an optimized sailing pattern. The result is a low ballast percentage and optimal utilization of the ships. The Company is of the opinion that our flexible sailing pattern is the most environmentally friendly way of transporting goods in the Company's market area, and that it is more environmentally friendly than if each customer were to handle it under their own auspices.

A policy to maintain and extend the life of the fixed assets as long as possible is incorporated in the Company's strategy. Proper maintenance is crucial to ensure good and efficient operation throughout the life cycle of the ship, which provides a significant environmental benefit.

In addition to the basic social responsibility related to responsible business operations and corporate governance, the Company considers the continuous work on improvements related to the environment, social conditions, health and safety as material for a sustainable business model. This work will over time improve the quality of the services offered. With approximately 1,650 employees, it is important for Wilson that the Company is experienced as a safe and good workplace for its employees. Focus on safety is therefore crucial. The Company has worked actively to secure employees during the Covid-19 pandemic. Among other things, the Company has used significant resources to carry out crew changes in accordance with normal rotation.

The maritime industry has a collective responsibility to reduce harmful environmental emissions. The Company is therefore continuously working to improve in all ESG-related topics, with a strengthened focus on the environment. The Board of Directors believes this will contribute to sustainable growth and business operations at the same time as the company minimizes, and in the long term, eliminates negative environmental effects related to the Company's operations.

INTRODUCTION

We follow Euronext's guidelines on ESG reporting from January 2020. The Company finds Euronext's guidelines most appropriate for its reporting and plans to use these for the coming years. Through continuous and concise ESG reporting, the Company seeks to present relevant information to its stakeholders that enables analysis of the Company's current situation and development. In the process of preparing the ESG report, a parallel analysis of the UN's sustainability goals has been carried

out. Wilson has concluded that the company currently has the greatest impact on the UN's sustainability goal 8 (Decent Work and Economic Growth), 9 (Industry, Innovation, and Infrastructure), 13 (Climate Action) and 14 (Life Below Water). The Company will consequently work for continuous improvement in these areas. This report present detailed information on the current status and what Wilson does to improve on ESG-related topics, as well as how the company supports the UN's sustainability goals in this process.

The Company also consider sustainability goal 17, Partnerships for the goals, as fundamental to achieve the ambitious goals that have been set to reduce harmful emissions. The collaboration agreement with Arkon is an example of collaboration that will make a positive contribution. The Company does not have internal KPIs associated with sustainability goal 17 at the time of reporting, but collaboration is, and will be, an integral part of the Company's culture.

The Company's starting point

Sea transport is the most environmentally friendly way of transporting goods in the Company's market area. Both the EU and the Norwegian authorities have an overriding goal to transfer the transport of goods from road to sea. Customers have limited options for transporting bulk cargo and the company experiences that the desire to choose environmentally friendly solutions is increasing.

Although sea transport is the most environmentally friendly mean of transport, Wilson acknowledges that the Company has a responsibility and need to reduce its climate footprint now and in the years to come. The reporting year of 2020 is the first year the Company has prepared a separate ESG report, and it is expected that this in the future will lead to increased focus on, and further improvement of, relevant reporting metrics.

The International Maritime Organization (IMO) aims to reduce emissions from shipping by at least 50 percent by 2050, measured against emissions in 2008. Wilson complies with current requirements and works continuously to position the Company for future requirements and targets for reducing emissions. To achieve the announced, ambitious, targets from the IMO, the Company is of the opinion that this presupposes new tonnage with new technology that have lower emissions. Thus, new technology must be developed and implemented by 2030 to achieve the goals set.

Wilson entered into long-term time charter agreements with Arkon Shipping GmbH & Co. KG in 2020. Among the vessels in this agreement, there are 4 new buildings of the new model named Hanse Eco. These are modern



ships with new technology and up to 50% reduction in CO₂ emissions compared to ships operating in the market today. These ships also meet the Tier III requirements, and the first ship is expected to be delivered at the end of 2021. This agreement will give the Company experience with commercial operation of the ships of the future and at the same time help to position the Company for future emission requirements and targets.

Materiality analysis

The Company has conducted a materiality analysis to identify stakeholders, map their interests and identify topics of relevance. The analysis was carried out based on information obtained through discussions with the management of the Company.

Stakeholder group	Expectations towards the Company	Areas of dialogue	Actions by the Company
Shareholders	Optimal operation Value creation Follows reporting requirements and guidelines Sound corporate governance	General Assembly Quarterly report Annual report Reporting of significant news through Euronext and the Company's website	IR reporting Complies with IFRS standard for reporting ESG reporting Dividend policy
Financial institutions	Compliance with regulatory requirements Compliance with financial obligations	Quarterly meetings Budget meetings	IR policy Complies with IFRS standard for accounting and reporting ESG reporting Significant decisions are made in consultation with financial institutions
Authorities	Compliance with reporting requirements Complies with laws and regulations	Mandatory and non-mandatory reporting through stock exchange news and website Port State Control Reporting and contact with Class society and Flag state	Reports according to requirements Complies with applicable laws and regulations Positions the company to comply with future laws and regulations
Civil society	Complies with laws and regulations Transparency Sustainable and responsible operation	Mandatory and non-mandatory reporting through stock exchange news and website Social Media Presentations	IR reporting ESG reporting Focusing on social media Participates, both passively and actively, in various presentations Focus on ESG related topics in the operation of the company
Suppliers & Business partners	Good teamwork Fulfils agreements Long-term agreements Adheres to schedules Predictable collaboration	Annual planning meeting and negotiations Continuous dialogue when the ships are in a dry dock between the inspector and the project manager	Uses regular shipyards with long and good relationships Strive to get the ships in position to be on time and minimize ballast distance to the dry dock Own supplier agreements for all major suppliers with a high degree of transparency
Customers (Charterers)	Transparent and reliable cooperation Delivers a competitive quality product Carbon footprint report Sustainability and CSR in tender	Daily contact via chartering and operation Meetings Tender Annual vetting via third party	Acts transparent and reliable Highlight the value of Wilson's system Focus on optimizing cargo intake Shares data on bunker consumption/emission data with customers ESG reporting

Stakeholder group	Expectations towards the Company	Areas of dialogue	Actions by the Company
Employees	<ul style="list-style-type: none"> Safe workplace Development opportunities Equal opportunities Good working environment Competitive wage and working conditions Good well-being Good colleagues 	<ul style="list-style-type: none"> Conversation with HR manager Department meetings Surveys The Wilson Club Working environment committee 	<ul style="list-style-type: none"> Employee surveys Employee interviews Follow-up of employee interviews Employees retain full pay at birth, adoption and sick leave beyond the employer period Annual health check Treatment insurance Access to doctor Code of conduct
Seafarers	<ul style="list-style-type: none"> Safe workplaces Focus on safety and health Competitive wage and working conditions Development opportunities Good well-being Good colleagues 	<ul style="list-style-type: none"> Officers' conference Briefing / debriefing in connection with contract Video meeting with the company's management when hiring Captains and Officers on ships Meeting with management in the event of gross deviations from the company's standards 	<ul style="list-style-type: none"> Insurance schemes between contracts Competitive wages Safety management system Security campaigns Sets requirements beyond the minimum for certification of crew Staffed over minimum safety manning to maintain rest time regulations and safety Learn from mistakes instead of penalty Promotions of crew

Topics of relevance

Based on the first part of the materiality analysis, the Company has identified several topics of relevance. The significance of the various topics is then weighted based on “Importance for the Company’s stakeholders” and “Importance for the Company’s impact on society, the environment and economic conditions”. The most important topics and specific measurement parameters for these are discussed and presented in the following sections. A summary of all relevant measurement parameters and status will be published on the Company’s website in due course.

THE ENVIRONMENT

Table 1 presents data for the Company’s current situation and development over the last 3 years related to climate footprint and risk, air pollution, discharges to sea, ship recycling and ecological impact. At the top of the table, the Company’s starting point is presented, which puts the figures in perspective. Emissions of CO₂, NO_x and SO_x, measured in emissions per tonne-nautical mile, all have a positive development from 2018 to 2020. Related to the various measurement parameters, reference is made to relevant sustainability goals and definitions on data.

TABLE 1

TOPIC	ACCOUNTING METRIC	DATA			REF
		2018	2019	2020	
The Company’s starting point	Number of vessels in the fleet	115(89)	111(89)	123(89)	N/A
	Number of vessels adapted for shore power	89	89	89	N/A
	Ballast percentage	12,20%	12,20%	13,12%	N/A
Climate risk and climate footprint	Bunker consumption	130 525 tonnes	121 831 tonnes	126 373 tonnes	SDG 13
	Share of MGO	73%	80%	100%	
	Share of HFO	27%	20%	0%	
	Total CO ₂ emissions	404 628 tonnes	377 677 tonnes	391 756 tonnes	GRI 305-2 & SDG 13
	Emissions of CO ₂ per tonne-nautical mile	0,0319 kg/tnm	0,0310 kg/tnm	0,0310 kg/tnm	GRI 305-4 & SDG 13
Air pollution	Total NO _x emissions	7 832 tonnes	7 310 tonnes	6 319 tonnes	GRI 305-7 & SDG 13
	Total SO _x emissions	1 698 tonnes	1 173 tonnes	253 tonnes	GRI 305-7 & SDG 13
	NO _x emissions per tonne-nautical mile	0,0006 kg/tnm	0,0006 kg/tnm	0,0005 kg/tnm	GRI 305-7 & SDG 13
	SO _x emissions per tonne-nautical mile	0,0001 kg/tnm	0,0001 kg/tnm	0,00002 kg/tnm	GRI 305-7 & SDG 13
Discharges to sea	Number of ships equipped with ballast water treatment system (BWTS) The Company has secured agreements for the delivery and installation of BWTS on all owned vessels by September 2024	0	0	1	SDG 14
Ship recycling	Responsible ship recycling / Number of vessels recycled The Company has committed to scrapping and recycling only at shipyards that the EU has approved for this purpose	0	0	0	SDG 8 & 14
Ecological impacts	Number and aggregate volume of spills and releases to the environment, <100 liters The Company’s objective: ≤ 0,00	3 incidents, in total 83 liters	0 incidents	5 incidents, in total 103 liters	GRI 306-3 & SDG 14
	Number and aggregate volume of spills and releases to the environment, >100 liters The Company’s objective: ≤ 0,00	0 incidents	0 incidents	1 incident, in total 200 liters	GRI 306-3 & SDG 14

Climate footprint, climate risk and air pollution

Sea transport is currently the most sustainable way of transporting goods for the Company's customers. There is no substitute that can offer more sustainable and less expensive transport services. At the same time, it is considered unlikely that changed production and changed cargo flows will reduce the need for transport for the coming years. The Company is of the opinion that our flexible sailing pattern is the most environmentally friendly way of transporting goods in the Company's market area, and that it is more environmentally friendly than if each customer were to handle it under their own auspices.

Given the available technology and fuel infrastructure, there are no real alternatives to the fuel used today, that can eliminate the Company's climate footprint today. All vessels operated by Wilson sail on fossil fuels, which leads to a climate footprint and consequently climate risk. Efforts are being made to reduce fuel consumption and at the same time alternative fuels are being explored. In the years to come this will help to minimize or eliminate the Company's climate footprint and associated climate risk. The Company participates in the "Green Shipping Program" with the aim of investigating possibilities for the use of biofuels and e-fuel. Although current biofuels and the like will not reduce CO₂ emissions from the Company's operations, it will reduce the total CO₂ emissions over the life cycle.

The amount of harmful emissions from the fleet will depend on activity and fleet size. A large fleet gives the system better efficiency and consequently lower emissions per tonne-nautical mile than a small fleet. With increased tonnage, the Company can thus have an increase in total emissions, but a reduction per tonne-nautical mile. Wilson currently seeks to minimize its climate footprint, measured in CO₂ per tonne-nautical mile, by having an optimized sailing pattern. A fleet of more than 120 ships that covers long-term freight contracts for Norwegian and European industry in combination with spot voyages enables an optimized sailing pattern. This results in a very low ballast percentage and the best possible utilization of the ships. An optimal sailing pattern helps to reduce the customer's environmental footprint. An efficient and flexible sailing pattern is, in the company's view, a significantly more environmentally friendly system compared to running fixed lines for all customers. The Company will also consider monitoring and reporting emissions in relation to theoretical cargo capacity.

The Company operates a fleet of ships in the order of 1,500 - 8,000 dwt and will be able to greatly adapt and optimize cargo intake to reduce the number of voyages where the ships do not sail with full cargo.

The ballast percentage in 2020 was 13.12%, which proves the efficiency of the Company's system. In 2020, Wilson entered long-term time charter agreements for Arkon Shipping GmbH & Co. KG's short sea fleet, consisting of around 20 ships. The agreement also includes that Wilson cover Arkon's contractual obligations for cargo transport and that Arkon acts as an exclusive commercial representative for shipments out of the Mediterranean. Increased fleet size, more contracts and a stronger commercial presence in the Mediterranean are expected to have a positive effect on the Company, including in the form of optimized logistics. The full effect of this agreement is expected to have further positive effects from the operating year 2021.

The Group is almost exclusively involved in the transport of dry cargo and general cargo, where any emissions from cargo are not expected to cause significant damage to the environment. Bunker consumption entails emission of CO₂, NO_x and SO_x to air. Through SECA (Sulphur Emission Control Area), emissions of SO_x have been significantly reduced in recent years. The Company's type of ships consumes little bunkers per transported tonnes, which consequently gives low emissions per tonne-nautical mile.

Emission of CO₂

The Company's starting point is low speed, low consumption and almost half the time in port. Emissions of CO₂ are sought to the minimum the Company can achieve to operate efficiently. In 2020, CO₂ emissions were 391,756 tonnes. The increase from 2019 is due to an increase in the number of ships in the fleet for 2020.

Reduction of SO_x and NO_x emissions

All ships in Wilson's fleet sail on MGO with a sulphur content of a maximum of 0.1%, which more than satisfy the IMO's requirement of 0.5% outside the SECA and satisfies the requirement in the SECA. None of the Company's ships are equipped with scrubbers and there is no plan to install scrubbers. The Company's SO_x emissions have been reduced by 78% from 2019 to 2020. The decline can mainly be explained by the fact that all the vessels have sailed exclusively on MGO in 2020, which leads to lower SO_x emissions compared to HFO.

The Company's NO_x emissions were reduced by 12.6% in 2020.

Measures to strengthen the Company's environmental profile

The Company has implemented several measures that are expected to reduce the Company's climate footprint and minimize climate risk, at the same time as they also contribute to fulfilling other interests for several of the Company's stakeholders.

Weather routing system - SDG 8 & 13

To achieve an optimal sailing route on each voyage, all owned ships and operators are equipped with SPOS / TRANSAS weather routing system. Good weather forecast contribute to increased safety for crew, ships, and cargo, at the same time as it helps to optimize each individual voyage and thereby reduce the total bunker consumption. This result in a lower climate footprint and improved economic results. An improved version of weather routing is being implemented, this will provide further improvements in operational performance and is expected to have a positive effect on the total bunker consumption at the same time as it can provide positive synergies for the system.

Shore power - SDG 13

The ships owned by Wilson are already adapted to receive shore power. In 2019, the Company contributed to a pilot project under the auspices of the Port of Rotterdam, where ships connected to various mobile shore power solutions in the Port of Rotterdam. Shore power contributes to both reduced CO₂ emissions and reduced noise, and several of the owned ships have used the solution in 2020. A similar solution has not been used in Norwegian ports. The Company experiences that the shore power solutions in Norway are too complicated for use on the ships in this segment. It is too cumbersome and time-consuming to connect to and from the shore power system. This has been communicated to relevant parties and the Company will follow up the case to ensure that the ships Wilson operates can also use shore power in Norway in the future. For the coming years, the Company expects increased use of shore power both in and outside Norway, and a continued decline in harmful emissions in ports.

Fairway certificate - SDG 8, 9 & 13

A significant proportion of the Company's activity takes place along the Norwegian coast. This area is known for challenging weather conditions, especially in the autumn and winter months. Bad weather can lead to delays that create challenges for optimal operation of the system, at the same time as it can lead to an increase in bunker consumption. The Company aims to certify captains with fairway certificates along particularly exposed locations on the coast of Norway. This enables sailing in waters protected from bad weather. It will also have a positive effect on port calls to and from Norwegian ports as there is greater flexibility in connection with arrival and departure. The increased flexibility is a result of not having to wait for the pilot to depart and that the vessel can freely adjust the speed on arrival without the risk of extra pilotage fees. When using fairway certificates, emissions related to the transport of pilots to and from ships are also eliminated.

Life expectancy of ships - SDG 8 & 14

The Company's principle is to maintain and extend the life of the fixed assets as long as possible. Proper maintenance is crucial to ensure good and efficient operation throughout the ship's life cycle. When the ships' service life ends, the Company has committed to scrapping and recycling only at shipyards that the EU has approved for this purpose.

Fleet renewal - SDG 9 & 13

To meet future requirements and targets for emission reductions set by the IMO, a fleet renewal is a prerequisite. The Company continuously assesses all possibilities for fleet renewal that can strengthen the environmental profile of the Company in combination with sustainable financial operations. The Company always meets the current requirements and shall meet future requirements and targets for emission reductions set by the IMO.

The Company has secured time charter agreements for 4 new buildings of the Hanse Eco type. Delivery of the first ship is expected at the end of 2021. These vessels satisfy all current, and announced, requirements for emissions regulations in the coming years. These vessels will contribute with a 50% reduction in CO₂ emissions compared to current ships and satisfy Tier III requirements.

BWTS - SDG 14

The IMO has adopted a convention to prevent the spread of maritime organisms; Ballast Water Treatment Systems (BWTS), which could have a positive environmental effect. As part of the Company's program for installing BWTS on all ships, an agreement was made with Norwegian Greentech AS in the fourth quarter of 2020 for the delivery and installation of BWTS on all the Company's ships. The agreement ensures that Wilson complies with future regulations at the same time as it creates positive effects for the Norwegian maritime cluster. All ships owned by Wilson will be equipped with BWTS by September 2024.

Digital auditing and surveys - SDG 9 & 13

With improving digital solutions, the Company, both alone, in collaboration with Class societies and the Flag states, has increasingly carried out digital audits and surveys. The scope of this type of work has increased during the period with Covid-19. By using digital tools to solve tasks that previously required physical presence, the company saves both time, the environment, and money. This benefits all stakeholders. The Company aim to continue with this type of work also after Covid-19. This is ensured through agreements with Class societies.

SOCIAL CONDITIONS

The table below presents data for the Company's current situation and development in the last 3 years related to accidents, safety, and labour rights. For 2020,

the Company achieved targets related to LTIF, the number of deficiencies per Port State Control and had few Marine casualties, where none are defined as serious.

TABLE 2

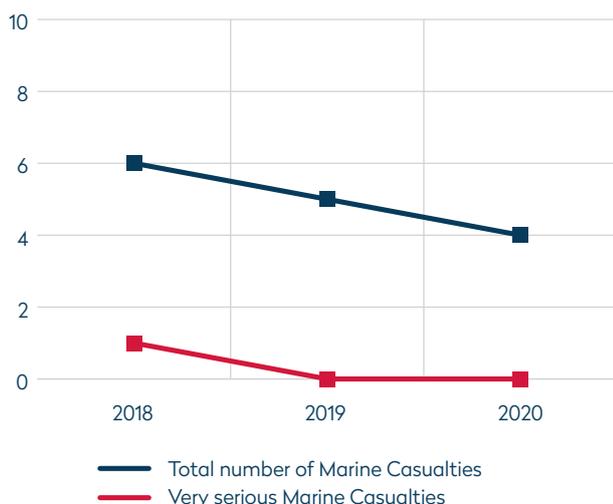
TOPIC	ACCOUNTING METRIC	DATA			REF
		2018	2019	2020	
The Company's starting point	Number of seafarers	1500	1500	1500	N/A
	Retention Rate Officers	99,04%	98,14%	99,12%	N/A
	Retention Rate crew	97,21%	94,71%	93,96%	N/A
Accidents, Safety and Labour Rights	Lost Time Injury Frequency (LTIF) Calculation LTIF: (Lost Time Injuries * 1 000 000) / Exposure hours For seafarers there are 24 exposure hours per day The Company's objective: ≤ 1,00	0,88	0,81	0,4	GRI 403-9 & SDG 8
	Number of Marine casualties Definition of Marine casualties in accordance with the Norwegian Maritime Directorate's definition	6	5	4	SDG 8
	Percentage of Marine casualties classified as very serious Definition of very serious in accordance with the Norwegian Maritime Directorate's definition	17%	0%	0%	SDG 8
	Labour rights All employees have freedom of organisation and to participate in collective bargaining agreements	Yes	Yes	Yes	GRI 102-41 & SDG 8
	Number of Port State Control Detentions	1	0	0	SDG 8 & 14
	Number of deficiencies per Port State Control The Company's objective: ≤ 1,00	1,44	1,35	0,98	SDG 8 & 14

Safety and health

Wilson has a strong focus on safety and health for all its employees. One of the three core values of the Company is "Safe". Seafarers have a workplace that involves high risk. The Company therefore considers it very important to focus on safety in everything we do. Systematic safety work yields positive results; in 2020, the company had an LTIF of 0.4 and no incidents are defined as serious.

The most important measures to achieve and maintain a safe workplace for seafarers are, in the Company's opinion, qualified crews, safety management systems, safety campaigns and adequate manning of the ships. Focus on these measures is also reflected in the number of adverse events related to the ships. In 2020, the Company experienced 4 marine casualties, of which 0% are defined as very serious. With approximately 40,000 operating days, more than 4,000 completed voyages and almost 10,000 port calls, this is considered acceptable.

MARINE CASUALTIES YEARLY 2018-2020



Wilson works systematically and continuously to ensure that the Company always complies with applicable rules and conventions. Through Port State Control, the Company receives a third-party assessment of how well the Company complies with these rules and conventions on board the ships. The result is in the form of Port State Control (PSC) Deficiency and Port State Control Detention. For 2020, the result was 0.98 Deficiencies per PSC and 0 Detentions, which is considered a satisfactory result.

In the fourth quarter of 2020, Wilson Parnu had a machine break during a storm at Telavåg in Øygarden, Norway. A full rescue operation was launched. After a while, the crew managed to get the main engine started

and then sailed to the Port of Bergen, where investigations were carried out to identify the cause of the incident. In short, the engine failure was due to an automatic fuel filter that did not work properly. A new filter was installed, and exhaust pipes from the filter were cleaned. The new filter is of an improved type, ensuring that the same does not happen again. The incident is still under investigation, and not all measures have been implemented yet. The maintenance system on this ship and the ships in the fleet with the same filter will be updated. Experience transfer from the incident will be distributed to the fleet. Measures will also be taken on procedures related to sailing, and preparations for sailing in bad weather. The incident could have resulted in serious damage to ships, personnel, and the environment. As a result of the ship getting start on the main engine, this was averted and consequently no damage to ship, personnel or the environment occurred. The incident is not classified as a marine casualty according to the Norwegian Maritime Directorate's definition, but the Company considers the incident to be serious in terms of safety and the potential for environmental damage. It is also considered significant and relevant to several of the Company's stakeholders. We therefore want to be transparent about what happened, as well as what we do to avoid similar cases in the future.

Labor and human rights

Wilson ensures proper labor and human rights for all its employees. The seafarers are crucial to deliver the quality transport services that the Company offers. Among the seafarers, the Company has a retention rate of 99.12% for Officers and 93.96% for the remaining crew, which indicate that the seafarers experience a good workplace with competitive terms. In addition to a safe and good workplace on board the ships, Wilson offers insurance schemes for seafarers even while they are at home.

The Company's fleet consists of approximately 70% owned vessels and 30% time charter vessels. Wilson has two crewing agencies, one in Arkhangelsk and one in Odessa. All seafarers who work on the owned ships are employed through these crew agencies. Seafarers are guaranteed good labor rights through employment contracts regulated by the Maritime Labor Convention (MLC) and the International Transport Workers' Federation (ITF). In addition, the Company conducts negotiations with the seafarers' unions for 1-3-year periods. For vessels on time charter, it is a contractual agreement with the shipowner that the seafarers must have employment agreements and conditions that at least satisfy an ITF agreement. The Company's view is that all seafarers in the fleet have better conditions than the ITF agreement stipulates.



Wilson on The Thames. Photo: Alexey Maklakov

Wilson provides financial support to the Seafarer Family Aid Fund (Russia) and the Welfare Fund (Ukraine). The Seafarer Family Aid Fund was created by Wilson in collaboration with the seafarers union, while the Welfare Fund was created by the seafarers union. The committee in the two funds consists of representatives of the Company's seafarers, employees of the Company's crewing offices and the seafarers union. The purpose of the funds is to provide financial support the Company's employees and associated family with matters such as burial, treatment of illness, illness that prevents seafarers from working and the like. Allocations are made based on applications.

"Wilson Family" is a familiar term to all employees of the Company. This means treating each other as a family, not just as colleagues. Cohesion and mutual respect are important values for the Company.

The Company operates in a market with short voyages and strives to minimize the time ships sail without cargo. This requires a lot of the crew on board the ships. As a result, Wilson has seen it necessary to man most ships with more crew than the minimum safe manning. This means that Wilson generally has more seafarers than the minimum requirement. This is a decision made to ensure that rest hour regulations and general safety can be maintained on board. At the same time, the Company believes that it raises the quality of the Company's transport services.

The Wilson Code of Conduct stipulates that all forms of discrimination and racism are prohibited. There shall be

no discrimination in the workplace based on ethnic background, religion, age, disability, gender, marital status, sexual orientation, or political affiliation. The Company has clear guidelines for internal notification in the event of a breach of these regulations. Mutual respect among all the Company's employees is expected to contribute to a good working environment. Further information on this topic is set out in the Company's gender equality report for 2020.

Work environment

A good working environment is important for attracting and retaining skilled employees. The human capital is considered essential for the good operation of the Company. A good working environment is therefore considered very important to fulfill the key interests of the Company's stakeholders.

2020 has been a challenging year related to Covid-19 and crew changes. The Company has spent significant resources on carrying out crew changes in accordance with the planned rotation. In some cases, the planned rotation has changed somewhat, but the company feels that it has handled the situation satisfactorily. This is considered material to ensure the seafarers predictability and well-being in the everyday work.

Officers' conferences are arranged for the seafarers to strengthen unity and learn from the period that has passed. With the mentioned high retention rate, the Company ensures that the same seafarers get to work together when they are on board. This is considered important for creating a good working environment and

unity on board the ships. In addition, it means that the crew knows the ships well, which is assumed to strengthen the safety on board and the quality of the transport services the Company offers. Furthermore, a flat organizational structure ensures that there is a low threshold for notifying undesirable conditions. Briefing and debriefing of crews is also carried out in connection with crew changes. During debriefing, it is possible to give a recommendation for the promotion of colleagues who excel. The Company thus ensures the development and raising of competence that both strengthens the employee's well-being and ensures the company valuable competence. If needed or desired, it is also possible for seafarers to switch to work on shore. The Company can refer to several examples where this has been done. For seafarers, regular training is conducted while they are on land to ensure that the competence is maintained and developed. Courses are held at the Company's own course center, where training in, among other things, computer systems and safety management systems is carried out. The Company pays for all training and renewal of certificates for the seafarers. Through Covid-19, this has mainly been carried out digitally. Wilson also supports the local school in Arkhangelsk. The Company has a partnership with the school's cadets and recently sponsored the renovation of a new course room for training in the Electronic Chart Display and Information System (ECDIS).

Every year, a survey is conducted among the captains to determine whether one is satisfied with, and has received adequate training in safety management systems, improvement systems, risk assessment,

systems for planned maintenance, inspections and communication with personnel on shore.

For office employees, it is also important to have a good working environment. Well-being and motivated employees are factors that are considered central to create a good working environment. The Company has a flat organizational culture with regular contact across departments. Several annual gatherings are held for office employees to strengthen unity and contact across departments, but which will naturally be reduced in scope in 2020 due to Covid-19.

To offer meaningful work, Wilson is continuously working on digitization to remove standardized work tasks. This benefits the employees through increased motivation and the company through increased efficiency. The company also facilitates further education for employees on land. Membership in relevant interest organizations such as YoungShip and Wista are encouraged, and membership fees are sponsored by the Company.

The Company offers a competitive compensation and has good pension and personal insurance. Employees retain full salary at birth and adoption as well as in case of sick leave beyond the employer period. In addition, the Company invests in health by giving everyone access to a doctor, treatment insurance and preventive annual health check-ups. Annual employee interviews are also conducted and followed up.

CORPORATE GOVERNANCE

The Company works actively to maintain a solid corporate governance. This is considered fundamental to ensure a sustainable operation and future for the

Company. The Company has clear guidelines to avoid corruption and money laundering, ensuring transparency and reliability, as well as facilitating for internal notification.

TABLE 3

TOPIC	ACCOUNTING METRIC	DATA			REF
		2018	2019	2020	
Business ethics	Corruption risk Number of port calls in the 20 lowest ranked countries in Transparency International Corruption Perception Index	0	0	0	SDG 16
	Number of registered attempts at bribery or corruption	0	0	0	SDG 16

Anti-corruption

Wilson has zero tolerance for corruption and bribery. The Wilson Code of Conduct stipulates that all forms of corruption, including bribery, embezzlement, extortion, unlawful private or professional benefits to customers, agents, suppliers, or employees are prohibited.

The Company operates over a large geographical area, stretching from Russia in the north to the Mediterranean in the south. Annually, the ships trade in more than 30 different countries. Most of the voyages involve the use of various agents, brokers, and suppliers. With just over 4,000 voyages and almost 10,000 port calls per year, many parties are involved. The Company therefore considers it very important to have clear guidelines to avoid all forms of corruption and bribery.

Responsible ownership and investments

The strategy on which the Group's business idea is based, is centered on development and expansion within European dry cargo chartering. The Group seeks to increase the volume by adapting capacity under the prevailing market, primarily through the development of its own tonnage, secondarily through the chartering of external tonnage through time charter contracts. A reasonable balance is required between the contract portfolio/spot and total transport capacity between own and chartered tonnage.

Cyber threat

The Company uses resources to secure computer systems from outside attacks. High standards of the Company's IT security and IT systems are central to avoiding fraud, loss of sensitive data and minimizing downtime on critical computer systems.

BIMCO (Baltic and International Maritime Council)

Wilson is a member of BIMCO. Through BIMCO, we help to promote and ensure a good standard and regulations for the maritime sector.

Prevention of money laundering

The Company works according to the "Know your customer" (KYC) principle to ensure that one know the Company's customers. KYC is an important tool for detecting and preventing money laundering and at the same time handing out information to the customers or suppliers who require this information.

Transparency and reliability

One of the Company's core values is "Trustworthy". The Company is of the opinion that trust has a higher value than short-term profit. Open and honest communication to all stakeholders will provide a better basis for decisions and cooperation over time. Wilson seeks to be as transparent as possible and through that work gain good trust among colleagues, customers, suppliers, and other key stakeholders. As a result of the Company being listed on the stock exchange, all significant matters are reported through Euronext and the Company's website.

Internal notification

The Company has clear guidelines for internal notification of matters worthy of criticism in the business. The personnel handbook clearly defines what is meant by matters worthy of criticism, how notification should take place, when it should be notified and who should be notified. Furthermore, the recommendation and requirements for the form and content of the notification are clearly defined. One have the opportunity to act anonymously, and notification of matters worthy of

criticism is treated confidentially, unless this is an obstacle to a proper case processing or in violation of the statutory duty to provide information.

Stranded Assets

Environmental risk must be considered when valuing the Company's fixed assets. Risk related to stranded assets has in recent years become relevant for several industries. For Wilson, environmental risk, and its impact on the valuation of the Company's fixed assets are twofold. There is an indirect risk related to changes in cargo flows and there is a direct risk related to air pollution from the ships and development in capital costs for the ships.

The Company is of the opinion that risk related to changes in cargo flows is mainly related to cargoes defined as fossil fuels. The Company is well diversified in terms of cargoes transported. The main categories of cargoes transported by the company are fertilizers, minerals, coal, a group of various goods, stone, aluminum, steel, ore, ferrous goods, grain and salt. There is a risk related to reduced, or in the long run, loss of demand for transport of coal. This could have a negative effect on the market, thus also the earning potential for each ship and further the valuation of the Company's fixed assets. Given the Company's expectations for market

development and newbuilding activity, this risk is considered low.

Environmental risk associated with the valuation of ships is considered by the Company to be mainly related to regulatory changes related to air pollution and cost of capital as a result of political and regulatory requirements.

Some of the Company's owned vessels are of advanced age and the majority of the vessels will be considered to have ended their service life between 2030-2040. Regulatory changes related to the taxation of air pollution are seen in large parts of Europe, which is the Company's market area. However, the Company believes that such fees will be covered in the freight rates. As of today, there are no transport solutions in the Company's market area that are more environmentally friendly and cheaper than sea transport. Related to the Company's cost of capital, the Company is of the opinion that it operates sustainable and that the industry is dependent on the Company's services. Thus, an increase in capital costs is not expected.

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