

SUSTAINABILITY REPORT 2023

# Our responsibility reaches beyond our business



ENVIRONMENT



SOCIAL



GOVERNANCE

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## Integrated Reporting Comment

This Sustainability Report 2023 forms part of Management's Commentary of the Blue Water Holding Annual Report 2023

and covers statutory reporting on corporate social responsibility, environmental reporting, management gender composition and diversity policies as defined by sections §99a, §99b and §99d of the Danish Financial Statements Act.



# Letter from our CEO

Dear Stakeholder,

At the heart of Blue Water Shipping, you find people. People who create solutions, connect across complex value chains and drive industries forward. Their dedication, creativity and collaborative spirit are the essence of our business. Logistics is a vital part of every value chain, making our people fundamental in ensuring our clients' businesses thrive.

I believe that the well-being of our employees is directly linked to our operational excellence. As we expand our diverse and global organisation, it is crucial to ensure a safe, stimulating and growth-oriented work environment. The well-being of our employees gives the ability to build long lasting relationships with our clients and create solutions that move our clients forward.

2023 was a landmark year for us. Blue Water expanded to over 2,500 employees, achieving a significant milestone with an equal

number of employees inside and outside of Denmark. This growth is not just in numbers; it reflects the diverse and dynamic spirit that propels Blue Water.

Our culture at Blue Water is unique, a fact that was vividly brought to life in September with the first Blue Water Games. This global event – spanning from Greenland to Guyana, Brest to Brisbane, and back to our headquarters in Esbjerg, Denmark – united our global team in a celebration of togetherness and shared values.

## Our ESG Journey

In 2023, as we faced the hottest year on record, the imperative for sustainable transformation in our industry became even clearer. At COP28 in Dubai, the urgent call for renewable energy sources resonated with our commitment to being a proactive part of this global shift. Our journey in embedding Environmental, Social and Governance considerations deeper into our strategy is not just a commitment but a strategic opportunity. As a family and foundation-owned company, our dedication to future generations is unwavering, and we recognise that this focus gives us a competitive advantage.

Our internal engagements, frameworks and visions are set, however, we still have a lot to do when it comes to delivering on our short and long-term targets.

This year marked a significant step in this journey, as we committed to the Science

Based Targets initiative. By refining our materiality approach, we continue to refine and enhance our ESG programmes, ensuring they address the most impactful topics for Blue Water and our stakeholders.

## This report

This year's report highlights not just our achievements but also areas for continuous improvement. As proud we are to announce our commitment to the Science Based Targets initiative, we also see a need to continue to deepen our efforts on environmental issues as well as health and safety around the world. As we believe our employees to be our biggest asset, we recognise that increased efforts must be made.

Tackling ESG challenges requires more than words; it demands deep implementation and tangible results. This is a journey marked by paradoxes and step-by-step improvement. The real impact happens in the daily operations of our global offices, in our interactions with customers and in the solutions we collaboratively create.

We welcome your feedback, comments or questions on this report and invite further dialogue. Your perspectives are invaluable in our continuous pursuit of excellence and sustainability.

**Søren Nørgaard Thomsen**  
CEO, Blue Water Shipping

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**IN 2023, WE COMMITTED TO THE SCIENCE BASED TARGETS INITIATIVE, AND THROUGH OUR UPDATED DOUBLE-MATERIALITY APPROACH WE CONTINUE TO EVOLVE OUR OVERALL SUSTAINABILITY PROGRAMMES TO SUPPORT THE MOST MATERIAL TOPICS FOR BLUE WATER.**



# Our company

## More than the traditional transport and logistics provider

From the very start – as a small local freight forwarding company in Esbjerg, Denmark – the ambition has been to provide our clients with better service and top-shelf transport and logistics solutions. Now – being a large international company – our ambition is still the same with contemporary focus on our responsibilities and commitments around the world.

Since Kurt Skov founded Blue Water in 1972, we have done our best to provide clients with the best service and highest quality in the industry. Our foundation is knowledge, long-term experience and skilled employees.

Today, Blue Water is represented with more than 80 offices worldwide. In every Blue Water office, we combine our strong global network with local expertise – thereby adding value and providing our clients with services beyond transporting cargo in a safe and efficient way.

### Our responsibility reaches beyond our business

Our in-house competencies and expertise always go hand in hand with global knowledge of our industry and the market. However, we do more than just moving cargo from A to B. We provide our customers with services beyond transporting cargo in a safe and efficient way – our skilled teams add value from supply chain to supply chain all around the world.

To reinforce our DNA as a local company with a global reach, we are focused on having a short line of command in our organisation. This is vital for us since it makes us flexible and proactive in finding the best solutions to any challenge we may meet. With a strong focus on optimisation, we take responsibility for improving our customers' solutions in terms of carbon emissions, safety and governance practices. Our responsibility reaches beyond our business – and into the supply chains of our partners.

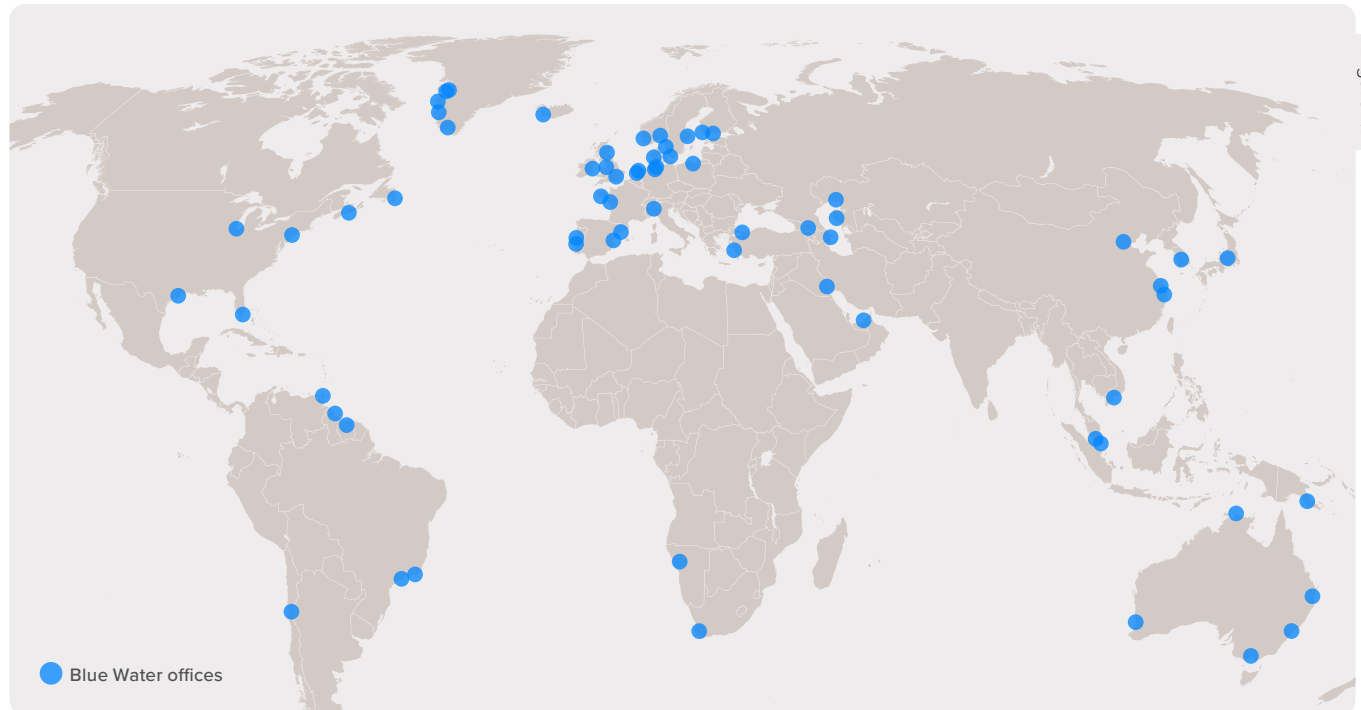


Figure 1.1

In practice, our Group Management works in close cooperation with the local management on our various locations, ensuring straight lines of communication while giving authority and responsibility to those who know best as they are closer to our stakeholders, carrying out the job with relevant knowledge and valuable relations.

### We put people first

Being a service provider working by a global network and local expertise, we rely on the people who make up Blue Water. Skills and dedication are the core of our foundation, and our more than 2,500 colleagues who every day make a difference are our most valuable asset.

Our growth is steady, and the Blue Water family is expanding, welcoming new qualified members to the team all around the world. We are currently working dedicatedly for continued family-ownership and supporting meaningful, social initiatives while protecting and evolving the strong culture and values built over more than five decades.

Blue Water is a knowledge-based and a locally present company built on in-house competences, mutual trust and personal relations.



# Sustainability insights and milestones for 2023

Throughout 2023, we have intensified our work with essential achievements and ambitions, shaping our journey towards a more sustainable company. In the operations, we have for long been looking into screening and integration of more sustainable transport and logistics solutions and partnerships. However, anchoring broadly-based ESG action for long-term values is ongoing.



Figure 1.2

# Ownership

The Blue Water Foundation is the primary owner of the Blue Water Group, holding 75% of the shares, with the remaining 25% owned by the Skov family.

The Blue Water Foundation is an established commercial foundation, operating as a self-governing entity. Our primary focus is on ensuring the long-term ownership, well-being and development of the Blue Water Group, while protecting and evolving the strong culture and values built over more than five decades. Being foundation-owned offers several advantages, including protection and fostering long-term stability. This ownership structure enables Blue Water to concentrate on its core values and objectives of meaningful impact.

The Blue Water Foundation, established by Blue Water's founder Kurt Skov on May 14, 2007, represents a testament to enduring values and visionary leadership in corporate stewardship. Kurt Skov's transfer of 75% of Blue Water's shares to the foundation, complemented by the Skov family retaining the remaining 25%, laid a strong foundation for long-term ownership, well-being and development of the Blue Water Group. Rooted in a mission to uphold and evolve the company's robust culture and values, the foundation plays an essential role in guiding the company's journey.

Embodying an active and proud ownership role, the Blue Water Foundation extends its influence beyond corporate growth to

community engagement. A notable initiative is the support of local charities chosen by Blue Water offices on significant milestones, reflecting the foundation's commitment to contributing positively to the global communities Blue Water operates in. This gesture of gratitude underlines the foundation's ethos of making a meaningful impact worldwide.

A people-centric and engaging philosophy has been instrumental in nurturing a collaborative work culture and securing major trade agreements since 1972. The foundation has taken this mindset one step further by adopting a 'people-first' approach, which has been the guiding force under the chairmanship of Anne Skov since 2022.

With a renewed focus on strategic direction, narrative shaping and visual identity, the foundation's vision is driving initiatives that enhance the well-being of the Blue Water Group. This vision was exemplified in the launch of the signature employee event in 2023 – the Blue Water Games – symbolising the foundation's commitment to employee engagement and corporate well-being.



  
**BLUE WATER**  
FOUNDATION

## LINKS TO FOUNDATION:

[www.bws.net/about/foundation](http://www.bws.net/about/foundation) | [www.bluewaterfoundation.com](http://www.bluewaterfoundation.com)



## Our Business Model

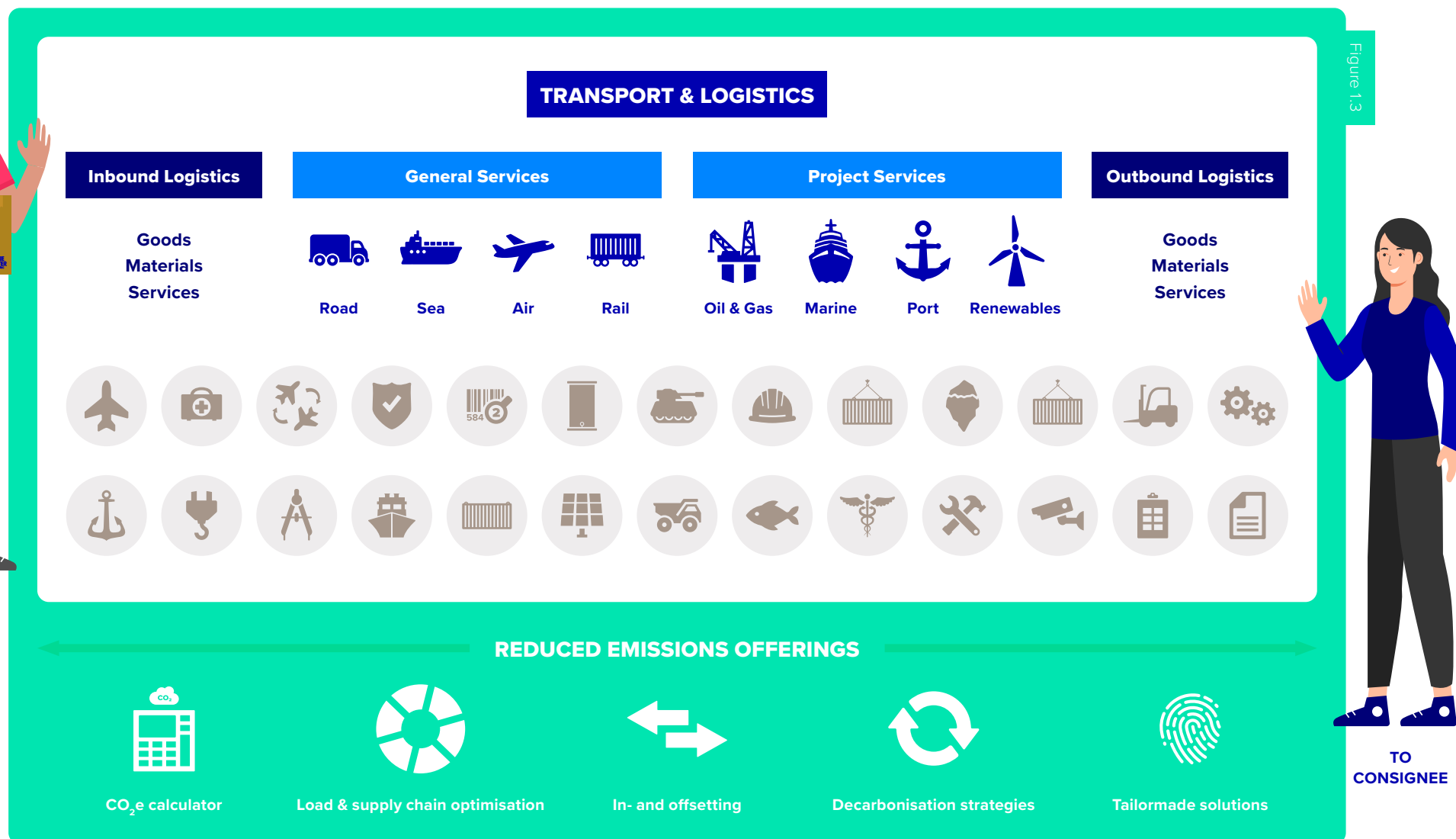
We operate an asset-light business model that allows us to quickly scale activities to match changes in market demand or modes of transport: It allows us to choose the best partners for any service based on reliability, available capacity, ESG factors, transit time and price.

### An EU company part of global value chains

We recognise our integral role within the global value chain and the significance of our operations in contributing to a more sustainable world. As a participant in an interconnected global economy, we are influenced by, and contribute to, the

Environment, Social and Governance (ESG) standards set forth by the European Union (EU).

Our approach to sustainability is partially informed by the EU's ambitious targets and regulations, such as the European





Green Deal and the underlying Fit for 55 package, which resonate with our commitment to environmental considerations, social responsibility and robust governance. By aligning with these agreements and engaging in the global ESG discussion, we not only support higher standards within our industry but also embrace our responsibility to foster positive change across all value chains. In this way, we join the collective effort to advance a sustainable and equitable global economy, mindful of the impacts our decisions have from local to global scales.

The EU's commitment to sustainability is underscored by strong legislation. The Corporate Sustainability Reporting Directive (CSRD) – and initiatives such as the introduction of Carbon Border Adjustment Mechanism (CBAM) and EU Emissions Trading System (EU ETS) – defines the reporting and pricing of carbon emission and foster sustainable innovation. Businesses in the transport and logistics sector must mitigate and adapt to these progressive regulations. For Blue Water this means, amongst others:

1. Increased efforts on data collection
2. Capacity building in reporting and controlling
3. Training of business development and customer supporting teams
4. Training and development of Board of Directors and Audit Committee.

### Aligned with and committed to the UN Global Compact

In 2023, Blue Water signed our commitment to the UN Global Compact (UNGC). The UNGC is a United Nations non-binding pact to encourage businesses worldwide to adopt sustainable and socially responsible policies.

#### PRINCIPLE 1:

Businesses should support and respect the protection of internationally proclaimed human rights; and

#### PRINCIPLE 2:

Make sure that they are not complicit in human rights abuses.

#### PRINCIPLE 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

#### PRINCIPLE 4:

The elimination of all forms of forced and compulsory labour;

#### PRINCIPLE 5:

The effective abolition of child labour; and

#### PRINCIPLE 6:

The elimination of discrimination in respect of employment and occupation.

#### PRINCIPLE 7:

Businesses should support a precautionary approach to environmental challenges;

#### PRINCIPLE 8:

Undertake initiatives to promote greater environmental responsibility; and

#### PRINCIPLE 9:

Encourage the development and diffusion of environmentally friendly technologies.

#### PRINCIPLE 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

These high-level principles serve as a foundational guiding principle in the development of our global policies and strategies.



## Organising sustainability

Our sustainability and ESG efforts are coordinated through a cross-functional steering team with members from various parts of the organisation. Established in 2022, the team is responsible for performance monitoring and reporting, cross-business unit coordination and annual double materiality assessments that include wide stakeholder involvement. It also serves as a competence centre for training and development of ESG topics.

Operating under the Blue Water's Extended Management Board, the team ensures direct reporting and accountability to the highest levels of management. Additionally, topic specific cross-functional teams are charged with executing and implementing key initiatives, ensuring that ESG considerations are a collective responsibility integrated across the company. Oversight is provided by the Board of Directors and the Blue Water Foundation.

In conjunction with our structured ESG organisation, we have established a global Sustainability Ambassador Network, serving as vital touchpoints for advancing our ESG commitments. These ambassadors, sourced from various regions and departments, are the embodiment of our ESG values, ensuring the principles are resonated at regional and local level. They play a critical role in making our ESG efforts visible and actively supported throughout our global operations, acting as local stewards of our ESG mission as well as fostering dialogue and promoting the adoption of best practices in their respective areas.

## Our major stakeholders

In line with the European Sustainability Reporting Standards (ESRS), we acknowledge the critical role our diverse stakeholders play in identifying and understanding the full spectrum of our ESG impacts, risks and opportunities.

Our internal stakeholders – including owners, the Board of Directors, Management and employees – are key in recog-

nising and managing internal ESG risks and opportunities. Specific internal groups that contribute to our double materiality assessment are the Finance Department, the Sustainability Ambassadors and the Extended Management Board. All three groups are instrumental in identifying financial implications and advocating for sustainable practices, and they play a vital role in assessing and integrating these aspects across our business operations.

Equally, our external stakeholders – clients, suppliers, NGOs, community representatives and government bodies – provide invaluable insights into the external impacts of our operations and the evolving landscape of ESG opportunities and challenges.

As part of our double materiality assessment, we employ a structured engagement approach. This includes regular, targeted interactions to gather diverse insights, ensuring our assessments are comprehensive and stakeholder-informed, in line with present ESRS guidelines.

“

**THROUGH ENGAGING DIALOGUE SESSIONS WITH BOTH CUSTOMERS AND SUPPLIERS WE SEE AN INCREASE IN THE FOCUS OF ESG; FOR SHARING DATA AND PRACTICES AROUND ESG. OUR CUSTOMERS ARE EXPECTING US TO BE ON TOP OF DEVELOPMENTS AND THEY ARE EXPECTING US TO DELIVER TANGIBLE PLANS AND PROGRESS REPORTS. WE ARE PLEASED TO SEE THIS INCREASED FOCUS ON WHAT WE ALSO DEFINE AS PART OF BEING A RESPONSIBLE BUSINESS.**

**Florian Pinz**

Managing Director, Blue Water Singapore and Malaysia

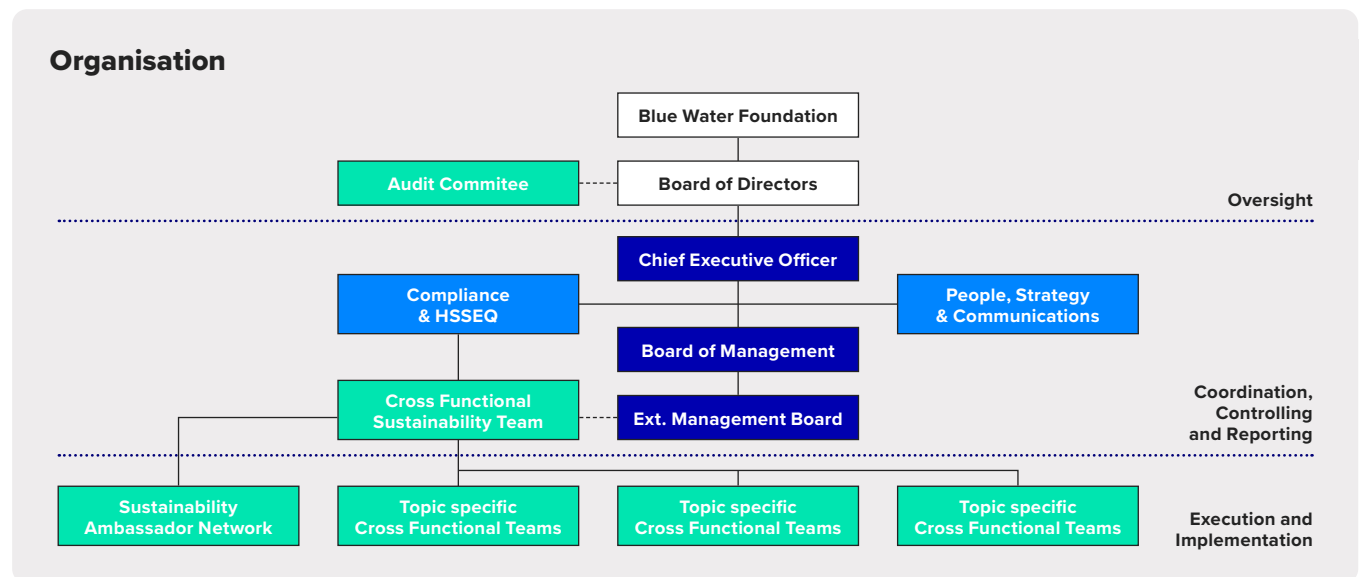


Figure 1.4

# Embracing Principles of comprehensive Double Materiality

## Blue Water's 2022 Commitments: Elevating our ESG Practices

In our 2022 Sustainability Report, we committed to elevating ESG practices. Aligning with our values as well as stakeholder expectations we embarked on our journey towards compliance with the CSRD based on the ESRS.

A first step on the journey has been to adopt the principle of Double Materiality. This approach recognises that our sustainability efforts are twofold: firstly, they address the significant impact we have on our ESG structures (impact materiality); and secondly, they consider how ESG issues can affect our business performance and strategy (financial materiality).

We have a three-year plan to evolve our Double Materiality Assessment into a foundation for our strategic direction:

- › **2023:** First Double Materiality Assessment with internal stakeholders.
- › **2024:** Qualification of assessment with climate risk and opportunity assessment and additional involvement of external stakeholders.
- › **2024/2025:** Design of programmes to fully address material topics.

**Methodology:** To identify our material topics for 2023, we employed a workshop-based approach with internal stakeholders with engaging sessions. Additionally, we carried out a gap analysis and applied industry benchmarking as well as internal analysis. This process ensured a holistic view, capturing internal priorities, expertise and viewpoints.

### Material Topics

#### E1: Climate Change

Climate change stands as a pivotal concern to Blue Water. Our operations directly contribute to greenhouse gas emissions, necessitating a strong commitment to carbon footprint reduction and energy-efficient practices. Conversely, climate change poses risks to our operational stability, influencing our strategic planning towards resilience and adaptability.

#### S1: Own Workforce

Our workforce is our most valuable asset. Ensuring fair and safe labour practices, fostering diversity and inclusion as well as investing in employee development are core to our social responsibility. These practices not only enhance our organisational culture but also drive innovation and operational excellence.





## S2: Workers in Value Chain

Blue Water recognises the importance of fair and responsible practices in our value chains. Ensuring the welfare and rights of workers in our value chains is vital for sustainable operations and contributes to the resilience and ethical standing of our supply chain.

## S3: Communities

Our role in local communities is a key aspect of our social responsibility. Initiatives ranging from community engagement to corporate philanthropy reflect our commitment to social upliftment. A positive relationship with local communities enhances our social license to operate.

## G1: Corporate Governance

Robust governance practices substantiate our operational integrity. This includes ethical business conduct, risk management, security and control systems and transparent reporting.

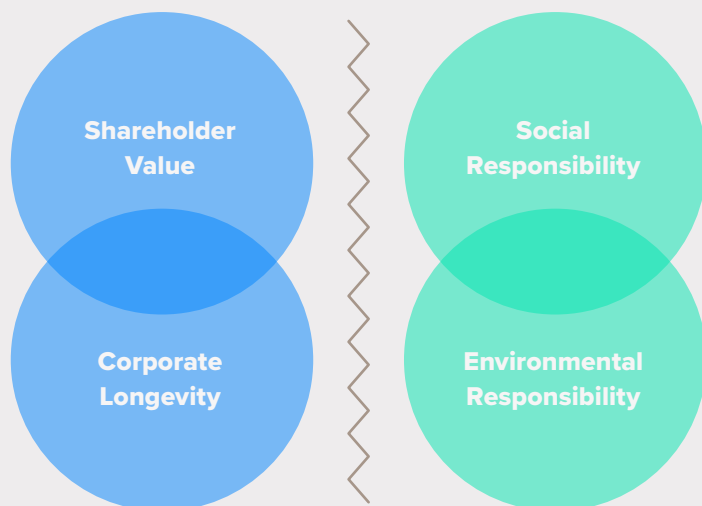
## Integration into Strategy and Operations

Recognising these material topics, we are integrating them into our strategic framework. In 2024, this includes setting specific goals and design specific programmes, addressing these material topics.

As we move forward, our focus will be on continuous improvement in these key areas. We will regularly review our strategies in line with evolving global standards and stakeholder expectations. Progress against our goals will be transparently reported, ensuring accountability and continuous learning.

### Sustainability must be integrated

#### From Corporate Social Responsibility...



#### ...to ESG practices integrated in core business

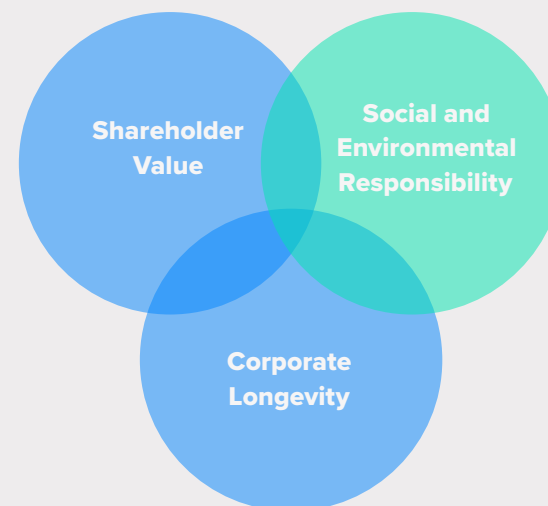


Figure 1.5

# Our purpose: Together we create solutions

Climate change

Own workforce  
Workers in value chain  
Communities

Corporate Governance

Material topics

Non-financial risks and opportunities inherent to our day-to-day activities focusing on ESG

ENVIRONMENT

SOCIAL

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Framework

## Our values: The Blue Water Way



We play  
as a team



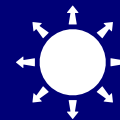
The colour of  
service is Blue



We keep  
our promises



We believe in strong  
and long-lasting relations



Our responsibility  
reaches beyond our business



We constantly  
question status quo

Foundation





# Environment

We and our industry are headed towards a greener future by creating solutions together

## Achievements 2023

- › Committed to the Science Based Targets initiative
- › Expanded sustainability partnerships
- › Developed business in Renewables
- › Targeted but not achieved: Implementation of Waste Strategy

## Short-term targets for 2024

- › SBTi validation of CO<sub>2</sub>e reduction targets for Scope 1, 2 and 3
- › EcoTransIT data accounting for 25% of Scope 3 emissions
- › Expand business efforts for Renewables further
- › Qualification of materiality assessment with climate risk and opportunity and additional involvement of external stakeholders

## Targets for 2030

- › Reduce absolute Scope 1 and 2 CO<sub>2</sub>e emissions by 42% from a 2022 base-year
- › Reduce Scope 3 emissions by 51.6% per gramme CO<sub>2</sub>e/tonne km from a 2022 base-year



## Climate accounts

Reducing our own carbon footprint is a journey beginning with understanding, measuring and reporting our CO<sub>2</sub>e emissions through our whole supply chain. During the last few years, we have been working intensively on our carbon accounting and the standardisation of our data collection protocols.

### Accounting for scope 1, 2 and 3 carbon emissions

In this report, we present a full carbon account for 2023. Please find elaborated paragraph around carbon accounting principles and methods on page 39.

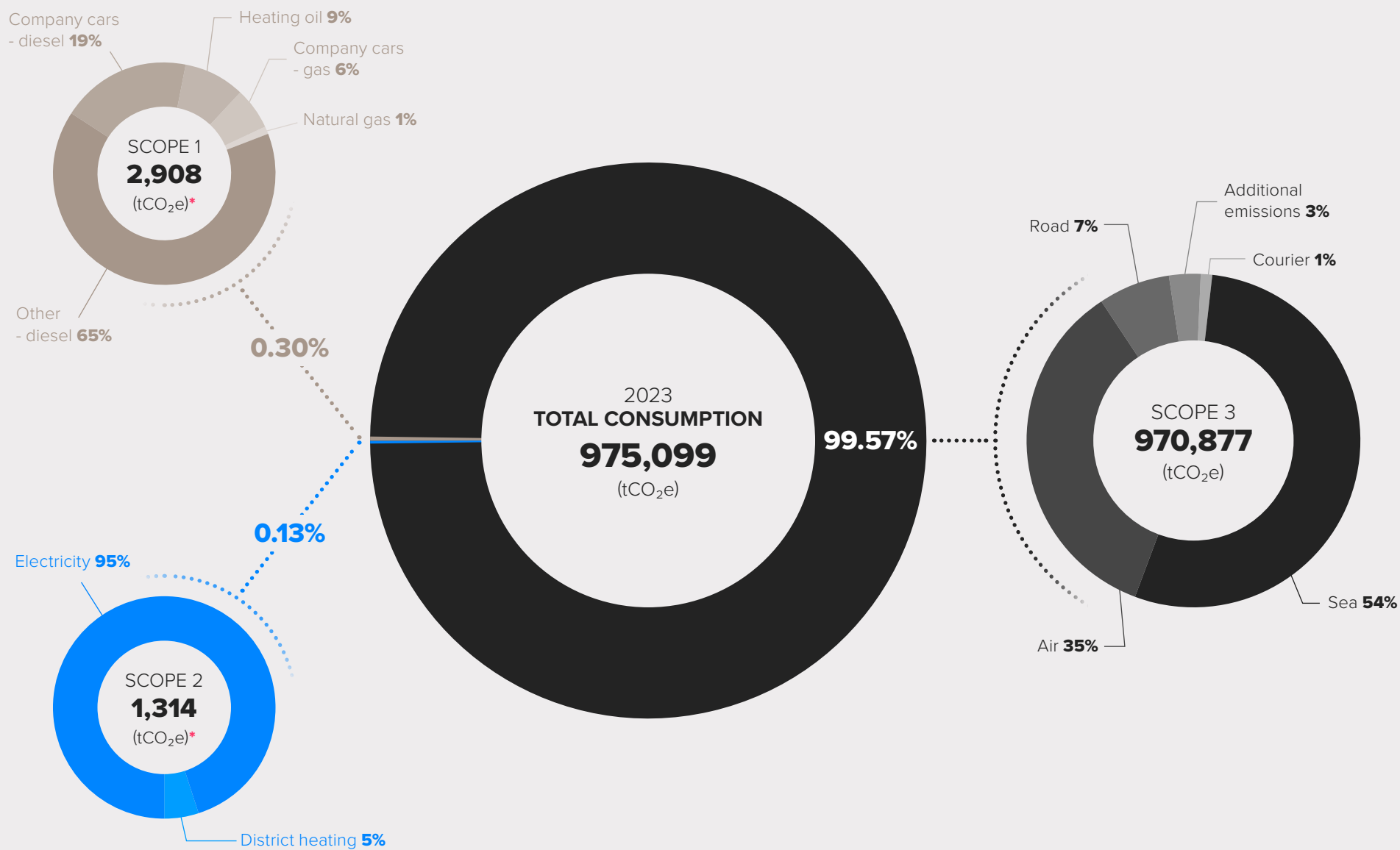
### Data collecting tool for scope 1 and 2

For previous reporting period, we developed a new data collecting tool for scope 1 and 2 data across our today more

than 80 global locations. The ambition with the tool has been to align all operating locations to use the same tooling, methodology and templates, providing a global data standard and preparing local data owners for even more thorough reporting requirements in the future.

The data collecting designed as a questionnaire is annually sent to stakeholders at all Blue Water offices and warehouses – both owned and rented addresses. The questionnaire supervises consumption in terms of data on heat, water, electricity and fuel for company-owned vehicles. On those locations with company-owned buildings, consumption data is collected directly from the provider and in cases of rented buildings, the data is collected from the landlord.



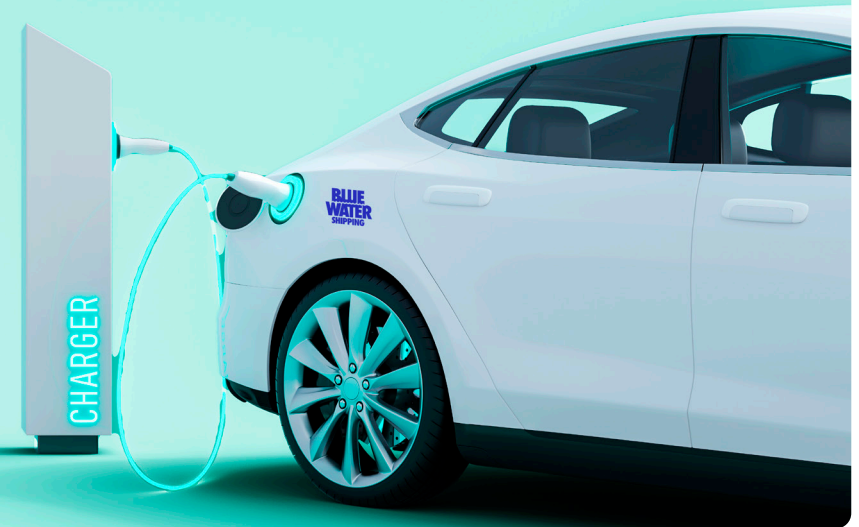
Total CO<sub>2</sub>e emissions

\* location-based

## Blue Water implements electric car policy

From 2024, a new policy for company cars is valid for Blue Water Denmark. The policy involves that newly purchased company cars can only be electric. Hereby, we contribute to phasing out fossil fuelled cars. Existing agreements on fossil fuelled cars will be replaced by electric vehicles continuously as the agreements expire.

For now, the new policy covers Danish company cars, corresponding to approx. 100 cars. Outside of Denmark, we also focus on implementing electric cars into our fleet. The phasing-in will be adapted on an ongoing basis, depending on local offerings, market for electric cars as well as charging points. This new initiative will in the long run help us to reduce our scope 1 carbon emissions.



Based on the collected data, consumption across all offices and warehouses is calculated in accordance with the Greenhouse Gas Protocol (GHGP). Refining our method of data collection, we have over the last years ensured a higher level of detail of our scope 1 and 2 carbon accounts across locations and warehouses to ensure improved data quality.

During 2023, Blue Water has opened several new offices and warehouse facilities around the world, also growing the workforce, causing our scope 1 and 2 emissions to rise. From 2022, scope 1 emissions have increased from 2,554 to 2,908 tCO<sub>2</sub>e in 2023, while scope 2 emissions have increased from 1,267 to 1,314 tCO<sub>2</sub>e. Despite this increase, we have managed to lower electricity consumption during the same period of time.

Electricity consumption moving to countries with higher emission factors for electricity production can have a significant impact on overall greenhouse gas emissions. While electricity consumption may decrease globally, total emissions may increase if the countries that now account for a larger share of electricity consumption rely on fossil fuel-based energy production.

### Electricity consumption in MWh:

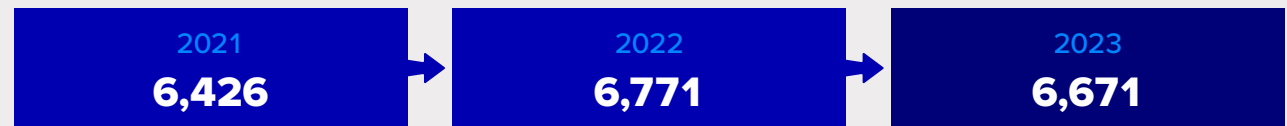


Figure 2.2

### Distribution of electricity source 2023

53% of Blue Water's total electricity consumption comes from renewable energy sources. This is guaranteed through certificates from the electricity provider, supplying Blue Water's locations.

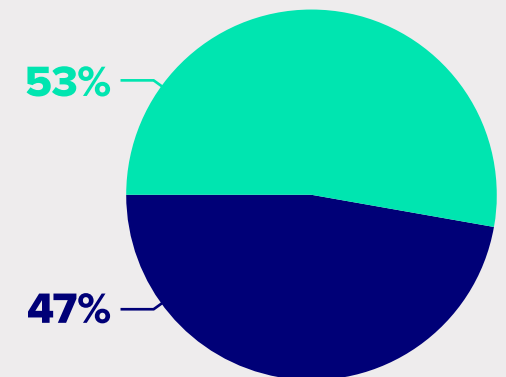
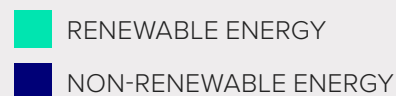


Figure 2.3





The reduced consumption results from greater internal awareness around our consumption, whereas electricity is easier accessible for any employee to lower through behaviour. Major Blue Water locations reduce consumption within this area, making a great example for other offices to follow. Additionally, improved data quality in 2023 affects this number as a higher level of location spending is based on reported data instead of estimates.

### Scope 3 emissions

The majority of our emissions derives from scope 3. In total, 970,877 tonnes of CO<sub>2</sub>e were emitted as scope 3 in 2023, compared to 949,822 in 2022.

Looking into detail of our scope 3 emissions come from sea by 54%, air by 35%, road by 7%, courier by 1% and additional scope 3 emissions by 3%, covering e.g., business travel and

port services. The overall CO<sub>2</sub>e emissions for freight have decreased for road, sea and rail transport, while air freight and courier transport have increased, causing a rise in scope 3.

Sea freight makes up the majority of Blue Water's transports carried out for customers as shown in Figures 2.1 and 2.4; however, this transport mode also has a considerably lower environmental impact, making it a more favourable solution in terms of lowering scope 3 emissions.

Data from EcoTransIT has made it possible to calculate the average CO<sub>2</sub>e emissions per moved tonne/kilometre. Hereby, we get more precise insights into the freight efficiency of different transport modes, making us better equipped to guide and advise customer towards solutions with reduced carbon emissions.

### Data quality is improved by CO<sub>2</sub>e Calculator

In 2022 and 2023, we have implemented and refined a CO<sub>2</sub> calculator EcoTransIT on all modes of transport. EcoTransIT calculates and measures precise CO<sub>2</sub>e emissions on individual transport services and is built upon a large amount of data from pre-carriage, main transport and on-carriage as well several differentiated values based on truck Euronorm, space utilisation and more.

The EcoTransIT tool delivers some of the most precise calculations available in the industry today. Since last reporting period, EcoTransIT has become certified by ISO 14083 – quantification and reporting of greenhouse gas emissions arising from transport chain operations.

To map our scope 3 CO<sub>2</sub>e emissions for 2023, we combine spend and actual emissions (18.5%) calculated in EcoTransIT. Freight emissions are based on data from our internal logistics system, and emission factors for purchases are mainly based on data from Exiobase<sup>1</sup>.

### Waste Management

Waste Management is not considered material to our reporting, emitting 96,67 tonnes of CO<sub>2</sub>e in 2023. While the current report includes data primarily from our Danish locations, our future aim is to adopt a global approach to Waste Management. We did not reach our target for 2023 to roll out a global Waste Management programme due to prioritisation of resources and where we could make the most significant difference.

<sup>1</sup>Exiobase is a global, detailed Multi-Regional Environmentally Extended Supply-Use Table and Input-Output Table. It is developed by harmonising and detailing supply-use tables for a large number of countries, estimating emissions and resource extractions by industry. Learn more about data from Exiobase on page 40.

Figure 2.4

### Total emissions from transport modes



## Committing to the Science Based Targets initiative

In 2023, Blue Water committed to the Science Based Targets initiative (SBTi). This as a first step to create our pathway towards reduction across scope 1, 2 and 3. It is our target to anchor our emissions reduction targets with a base-year in 2022. Targets are considered to be 'science-based' if they are in line with the scientific consensus to meet the goals of the Paris Agreement and validated by the SBTi.

The target we have set will meet the criteria for the SBTi's 'near-term target', which over the next six years requires us to reduce emissions in line with a global temperature increase of maximum 1.5°C before 2050. The targets developed for validation are:

- Reduce Scope 1 and 2 CO<sub>2</sub>e emissions by 42% by 2030 from a 2022 base-year.
- Reduce Scope 3 CO<sub>2</sub>e emissions by 51.6% per gram CO<sub>2</sub>e / tonne-kilometre by 2030 from a 2022 base year.

### Target validation process

- ✔ **Commit:** submit a letter establishing intent to set a science-based target.
- ✔ **Develop:** work on an emissions reduction target in line with the SBTi's criteria.
  - Submit:** present target to the SBTi for official validation early 2024.
  - Communicate:** announce target and inform stakeholders during 2024.
  - Disclose:** report company-wide emissions and track target progress annually.

First progress report expected in our Sustainability Report 2024.

## Transport and logistics solutions that move the world forward

At Blue Water, we want to work as our customers' partner for transport and logistics solutions that has less negative impact on the environment. We follow the legislative development closely and have introduced several measures whereby our clients are able to reduce or compensate their CO<sub>2</sub>e emission.

This could be by changing transport method from air to a combined sea/air solution, selecting ships or routes with a lower emissions factor or by switching from road to inter-modal/short sea solutions.

Finally, we offer solutions of inseting by switching to alternative fuels via our partner GoodShipping – available on all transport modes.

### Alternative fuels (insetting):

We offer solutions based on Hydrotreated Vegetable Oil (HVO) and Sustainable Aviation Fuel (SAF) and marine fuel to compensate for the use of fossil fuel. These alternatives, which also can be used as drop-in fuels, mitigate the environmental impact of traditional fossil fuels, providing a pathway towards more sustainable transportation and logistics operations. In 2023, we also secured and managed fuel switch via our partnership with GoodShipping for several clients, who wanted to compensate the carbon footprint from their supply chain.

### With alternative fuels, we obtain:

- Insetting options available on all transport modes
- Reduction of carbon emissions released into our atmosphere
- Replacement of fossil fuels

### CASE

## Fuel switch on sea freight reduces 50 tonnes of CO<sub>2</sub>e

The Swedish company TechnoSkruv has a part of the supplier base in the Far East, and with an ambition to become a more sustainable company, they have worked intensively with ways to optimise operations and not least the supply chain. For TechnoSkruv, it has been important to find a solution contributing to reduction of CO<sub>2</sub>e emissions by replacing fossil fuels for less GHG intensive fuels.

Blue Water has calculated the emissions from TechnoSkruv's freight route followed by a price per tonne of carbon reduced through fuel switch and an order confirmation from GoodShipping, carrying out the actual fuel switch, reducing by 50 tonnes of CO<sub>2</sub>e.

“

**AT TECHNOSKRUV, WE WORK  
IN CLOSE COOPERATION WITH  
OUR STAKEHOLDERS TO FIND  
SOLUTIONS THAT SUPPORT  
A SUSTAINABLE WAY OF  
CONDUCTING BUSINESS**

**Johan Vilhelmsson**  
Purchase Manager, TechnoSkruv



### Smarter logistics by supply chain optimisation:

Based on analysis of carbon footprint by our CO<sub>2</sub>e Calculator EcoTransIT, we can determine emissions for all global transport and logistics. With this knowledge it becomes possible to analyse and calculate solutions of a more effective supply chain to lower emissions.

#### With supply chain optimisation, we obtain:

- › More efficient supply chains, challenging existing solutions
- › Modelling and motivating towards a more environmentally friendly model with alternatives to costs, speed and emissions
- › Better fleet management and utilisation of load compartments, containers etc.

We operate with efficient route planning, especially on road traffics. Our hauliers too have encouragement to lower fuel consumption in order to reduce costs and carbon emissions from truck driving. Often, our hauliers train their drivers in low-pollution driving, and they measure

the trucks, rewarding those drivers who manage to drive most environmentally friendly. When partnering with new hauliers, Blue Water assesses truck Euro norm, options of driving on HVO fuels as well as other options of non-fossil fuelled trucks, giving preference to the hauliers who are more environmentally focused than others.

### CO<sub>2</sub>e Compensation (offsetting):

As a last resort, we can compensate for the carbon emissions caused by the transport through recognised offsetting programmes. In partnership with Gold Standard, it is possible to purchase carbon offsetting certificates, supporting sustainability projects, however, we urge our customers to choose low GHG intensive transport and logistics solutions which are actually reducing carbon emissions.

We recognise the complexity of the carbon credit market follow the development closely to provide the best advise possible for our clients.

## CASE

### GHG reducing initiatives in Oceania

Within our Energy, Ports and Projects division, Blue Water is managing logistics for significant players in Renewable energy, Mining and Oil & Gas in Oceania. Together with our clients and suppliers a set of CO<sub>2</sub>e reducing services have been developed.

#### Stackable flat racks

- › Truck movement reductions
- › Optimise space at origin
- › Optimise space at destination

#### Supplier qualification

- › Supplier assessment
- › Fuel consumption assessment
- › Truck age assessment

#### Shipping solutions

- › Blue Water vessels
- › Direct routes
- › Minimising port calls

#### Procurement

- › Product life cycle
- › Purchase locations selection
- › ISO standards

#### Decommissioning

- › Consortium of providers
- › Collaboration for Oil & Gas
- › Collaboration for Mining

#### Partnering suppliers

- › Solar & Wind
- › Decarbonisation solutions
- › Partnerships with suppliers

#### Airports

- › Freight services
- › From Malaysia & Korea
- › Regions: QLD, WA, NT & PNG

#### Global hub solutions

- › Malaysia
- › Brisbane
- › Korea

#### Tech solutions

- › Data analysis
- › Optimising transportation routes

#### Cargo planner

- › Cloud system tool
- › Cargo loading optimisation
- › Fuel consumption optimisation

#### Preservation wrap

- › Use of preservation wrap
- › Minimise the need for larger warehouses
- › Footprint optimisation





# Social

We are a people's business

## Achievements 2023

- › Launch of global human resources data platform
- › Gender target for Board of Directors >30% reached with 33%
- › Employee Net Promoter Score: 57
- › Lost Time Incident Frequency: 2.91
- › Employee Engagement: Satisfaction and Motivation: 80

## Short-term targets for 2024

- › Lost Time Incident Frequency: <1
- › Develop Diversity and inclusion direction and ambition across our four focus areas
- › Evolve Dare to Care Campaign and report progress
- › Report on age distribution, cultural distribution and skill distribution
- › Continue roadshows for training on ESG concepts
- › Safety Awareness training for leaders
- › Maintaining high level of Employee Satisfaction and Motivation of 80 and Employee Net Promoter Score of 57



## Creating a sustainable movement and mindset

In 2023, we launched our ambassadorship to have our employees contribute to drive positive, impactful and sustainable change in our company. Today, the network consists of 48 employees globally. The purpose of the network is to establish a platform for inspiration and knowledge sharing that motivates to sustainable actions in every corner of our company. All employees regardless of title, seniority and location can sign up as a Sustainability Ambassador.

### Our Sustainability Ambassadors benefit from:

- › Connecting with other change makers across teams and locations in Blue Water
- › Sharing ideas, initiatives and best practice that concerns ESG inside and outside of Blue Water
- › Taking part in shaping a more sustainable way forward for Blue Water
- › Sharing knowledge and motivating colleagues to take part in actions that drive sustainability forward

The decision of decentralising the sustainability agenda across divisions, teams and employees globally helps to foster distributed decision-making and aligning with the operational processes across the entire organisation's levels. Additionally, the network allows for bottom-up communication providing our management with essential and relevant perspectives on sustainability from across Blue Water.

### Activities for our Sustainability Ambassadors

During 2023, various activities have been executed for the ambassadors to participate in. Informational sessions, training and workshops have been key to secure a certain level of information and general knowledge around the topic of sustainable development. Get to know ESG, our Sustainability Report (2022), local initiatives, double materiality and EU ETS are all topics which have been on the network agenda during the last year, and which we will revisit in 2024 to ensure continued support and rooting throughout the company.



## High level of Employee Engagement

We carry out a yearly global Employee Engagement Survey together with an external partner, allowing for confidential responses.

For 2023, we targeted an employee net promoter score at 55 and reached a score of 57. For 2023, we targeted a Satisfaction and Motivation score of 78 and reached a score of 80.

In total, 88% of the Blue Water workforce has responded to the survey, which is three percentage points higher than last year's survey. The survey examines drivers for satisfaction, motivation and loyalty such as job content, remuneration, learning & development, reputation, management and physical working conditions.

## Roadshows for engaged learning of complex ESG topics

During the spring 2023, we organised and hosted roadshows in all Blue Water offices in Denmark and selected offices abroad. Main headlines for these events were to:

- › bring the sustainability and ESG agenda from internal webinars to live performance
- › serve as catalysts for change and inspiration
- › anchor knowledge about the reasons and ambitions behind the path towards a sustainable Blue Water
- › enable stakeholders on all levels to communicate with and advise customers
- › secure knowledge of ESG concepts.

We completed 12 roadshows in Denmark and five internationally. In Denmark, 324 people participated and internationally 76 people participated.

These roadshows bring sustainability and ESG concepts to life and encourage all members of our workforce to voice thoughts, ideas and concerns regarding ESG practices within the organisation. Matters of reducing energy consumption, adopting eco-friendly alternatives, waste management locally or understanding circular economy principles have been raised on the meetings, accelerating the adoption of sustainable habits and behaviours throughout our offices.

The roadshows are planned to continue during 2024. This time also to include more of our main offices internationally.

Number of Roadshows	2023
Denmark	12
International	5

Number of Participants	2023
Denmark	324
International	76

## Involving employees in future ESG work

As part of the annual Employee Engagement Survey, the employees at Blue Water have also been asked about matters of sustainability for the first time as a structured process in 2023. The objective of including this into the survey is to integrate it as a measurable value to our employees.

111 tangible ideas were identified, afterwards being categorised after E, S and G topics, complexity as well as impact. Looking forward, the employees' sustainability ideas will be incorporated into local and global initiatives along with other relevant stakeholders' inputs.



## From trainee to Greenland cruise logistics expert

As a global company, Blue Water often gives its employees the opportunity to work abroad. When Christian Juul Jensen started as a Blue Water trainee, he expressed his interest in working in Greenland in the early days of his traineeship.

When the cruise season peaked after a two-year pause caused by the Covid pandemic, extra hands were welcome, and the opportunity to work in Greenland was presented to Christian. He arrived a few weeks before the cruise season started, giving him time to learn the complexity of cruise logistics with a completely new cruise team in Nuuk.

“There was a lot to do, but it was exciting. Although not completely from scratch, we all had to learn the job. The challenge and teamwork made it fun”, explains Christian.

Time flew by, and after six months, Christian returned home to Denmark. In the summer 2023, the team approached him again to ask for his help with the cruise season: “Blue Water was flexible with my wishes and this year, coming back again was great. I made the most of my time in Greenland. I went hiking, kayaking and sailing. I did not want time to pass without enjoying Greenland to the fullest.”



## Blue Water's first trainee celebrates 50th anniversary

When Claus Bæk walked through the door at Blue Water as a teenager in the summer of 1973, he was the company's first trainee - and employee number four - at the small office at Esbjerg Airport. Claus Bæk certainly did not imagine that he would stick around for half a century, but that is how it turned out.

“I have always felt comfortable with the job and colleagues, and throughout the years we have had a very special culture and community in Blue Water, so I have never been tempted to look for a job elsewhere”, says Claus Bæk.

He explains that Blue Water has of course changed a lot from the four people in that small office: today, there are over 2,500 colleagues in more than 80 offices around the world. But they have managed to maintain and strengthen a culture where people take responsibility for each other. Where people work dedicatedly together to solve tasks. Where you respect differences, care about each other and laugh together.





## Diversity in Blue Water

Diverse perspectives brought forward ensures innovative solutions and creates solidity in situations of complex decision making, addressing the challenges of a growing global organisation.

### Our fundamental beliefs are:

- › Attracting and retaining highly skilled talent with unique functional capabilities will support our ability to create better solutions for our customers and stay competitive in our markets
- › A globally diverse workforce will support our ambition of building a company that can deliver strong business solutions for customers all around the world
- › An inclusive culture where each employee's uniqueness is recognised and accepted is a pre-condition for thriving and being able to perform at ones best
- › No employee should feel discriminated due to gender, race, colour, religion, political belief, sexual orientation, national origin, social origin, age or disability.

### Blue Water works with diversity across four focus areas

#### 01 GENDER

We want the distribution in our leadership to be a fair representation of the distribution in our entire workforce. We find the under-represented gender too low and recognise that the progress towards a more balanced distribution is moving too slowly. During 2024, we will therefore work on further measures to address this.

#### 02 AGE

As a company built on values such as care, passion and relations, we support lifelong careers and aim to offer development opportunities and flexibility for the different stages of an employee's life. This way we can ensure that we continually build knowledge and foster collaboration across our organisation.

#### 03 CULTURE

As we grow our business globally the cultural distribution becomes more important to us. Bringing in different cultures and different nationalities increases our understanding of the global market and helps increase our commercial creativity. To attract the right global talents, we will support mobility across borders, cross-functional career opportunities and internal career mobility.

#### 04 SKILL

We want to attract employees with strong and deep functional competencies that can lift our internal knowledge base and help create stronger solutions for our customers. Blue Water has always been recognised in the market for strong functional competencies, and we will foster and develop that through training and development activities, e.g., in our in-house Academy.

### Gender diversity in corporate levels

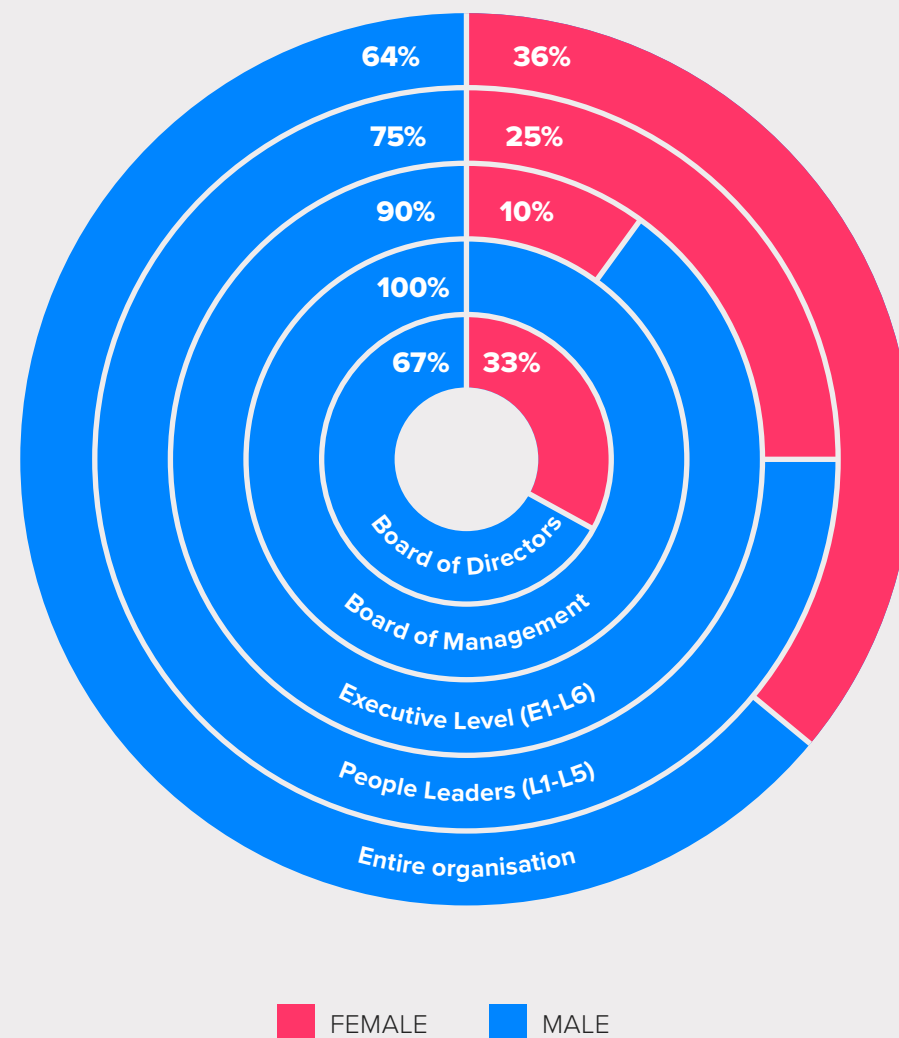


Figure 3.1

The overall gender distribution in Blue Water is 36% female and 64% male. Within our People Leaders defined as L1 – L5, which comprises of 333 people, 25% female. Within our Executive Level defined as E1 – E6, the distribution is 10% female. Our Board of Management is 100% male, and our Board of Directors distribution is 67% male.

Our targets for gender distribution are set for Executive Level as more than 20% Female by 2025. Our target for gender distribution for the Board of Directors was achieved by reducing the amount of male board members with 1 to reach the target of >30% before 2025. Ambitions for gender distribution on Board of Management and People Leader level will be developed during 2024.

Figure 3.2 illustrates the age diversity at Blue Water in 2023, representing the percentage distribution across various age groups within the company.

We have a relatively youthful workforce, with the highest percentage seen in the 21-25 age group at 14.52%, closely followed by the 26-30 age group at 13.96% and the 31-35 age group at 13.57%. The trend indicates a gradual decline as age increases, with the 36-40 and 41-45 age groups at 13.33% and 11.83% respectively.

Notably, there is a stronger decrease as the workforce ages, with the 46-50 age group at 9.34% and the 51-55 age group at 8.03%. This trend continues with the 56-60 age group at 6.21%, the 61-65 age group at 4.11% and those over 65 at a mere 1.34%.

The under 21 age group, which consist of trainees, part-time, students or intern positions, is the smallest represented at 3.76%. This distribution highlights Blue Water's demographic spread, emphasising a workforce that is predominantly in the early to mid-stages of their careers, with a smaller representation of both entry-level and retirement-age employees.

The high proportion of young professionals is a deliberate choice and part of our recruitment strategy, where we want to bring young people in early and develop their skills in-house to ensure they grow in line with our DNA and culture.

We have a high level of seniority and want to retain our employees in the labour market. Therefore, we increasingly offer flexible employment terms for workers over the age of 60.

Percentage of age distribution

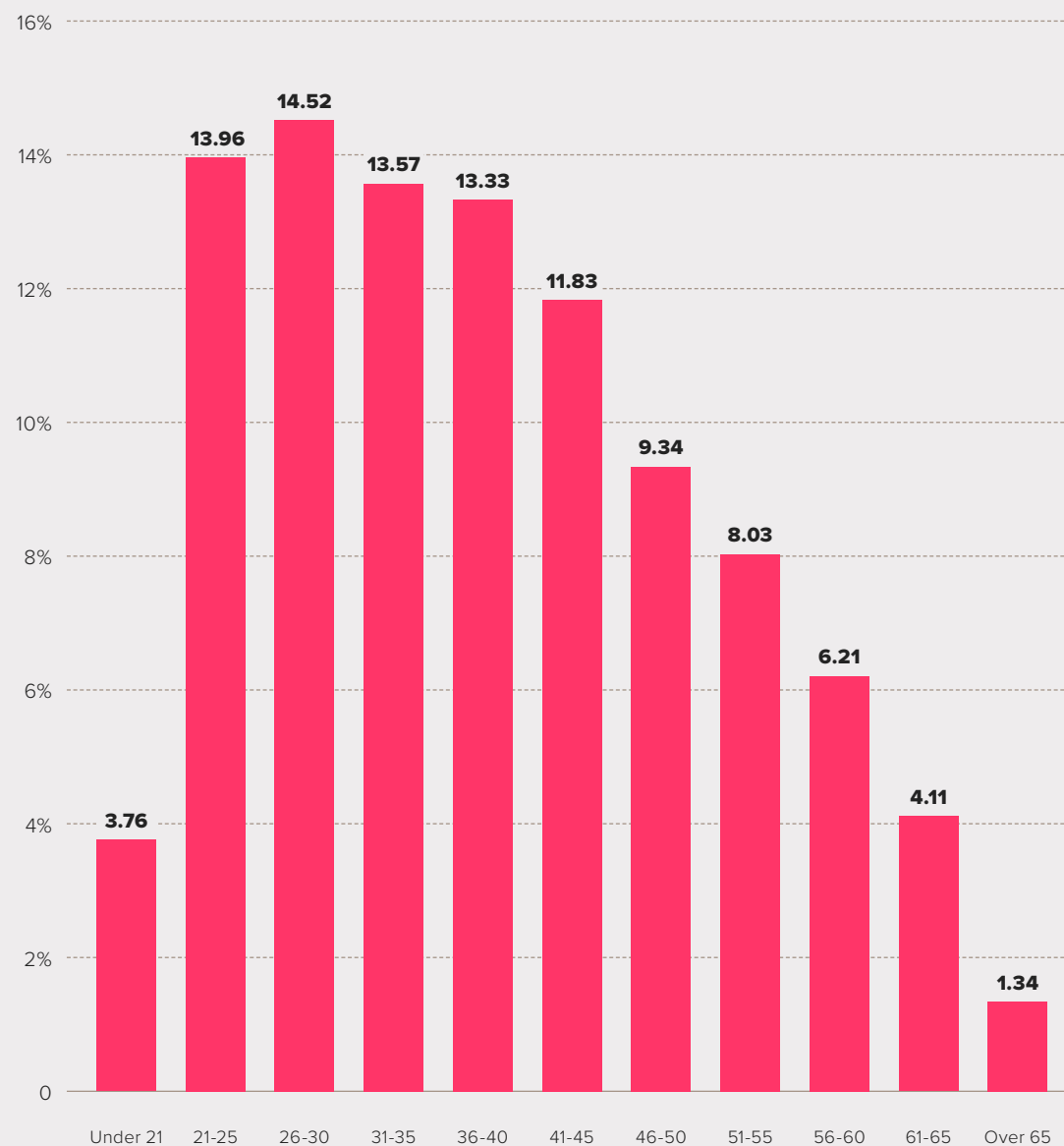


Figure 3.2

## Incidents

Our safety figures on Lost Time Incidents show an increase in number of accidents per one million working hours. Our target in 2023 was a frequency of 1.2, but by reaching 2.91, we increased the number of accidents by 6 in 2023 compared to 2022.

We have seen a significant increase of accidents in Greenland where behaviour, planning and instruction in tasks are highlighted as significant contributors. In response to these challenges, an action plan has been developed and aims to mitigate risks and enhance safety across Greenland. Key components include resource allocation and training programmes.



Figure 3.3

Safety figures

Indicator	Unit	Target 2024	2023	2022
Hours worked	Number		3,773,808	3,374,921
Lost Time Incidents	Number		11	5
Lost-time injury Frequency	Injuries per million hours worked	< 1	2.91	1.55
Medical Cases	Number		10	1
Restricted Workday Incidents	Number		1	0
Fatalities	Number		0	0
Permanent Disability cases	Number		0	0

Lost Time Incidents

Location	LTIs 2023
Denmark 	
Taulov	2
Aarhus	1
Odense	1
Esbjerg	1
Greenland 	
Nuuk	5
Aasiaat	1

Figure 3.4

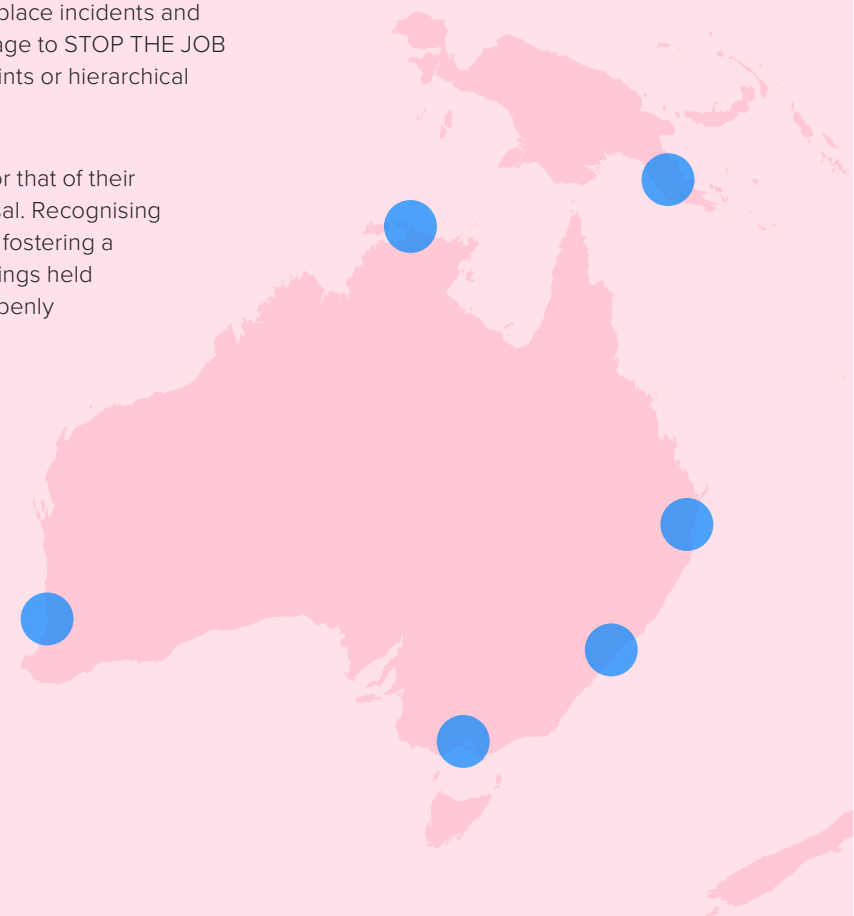


## How we lead a culture of safety in Blue Water

A case study of our global campaign executed locally in Oceania by our local Manager HSSEQ

**DARE**❤️**CARE**

- 01** Our global initiative, the “Dare to Care” living safety culture campaign, has gained significant traction and is now extending its reach worldwide. In 2023, we achieved a major milestone by integrating a compelling call to action into our safety slogan: “We have the conversation - because the conversations we dare to have could save a life!”
- 02** Recognising potential pitfalls like complacency, shortcuts, inadequate training and the normalisation of risks in everyday tasks, Blue Water is committed to addressing these issues that can lead to workplace incidents and injuries. Emphasising a crucial element of our safety framework, we advocate for the courage to STOP THE JOB for safety – an essential lifesaving rule. Despite potential challenges, such as time constraints or hierarchical pressures, we stress the importance of taking a stand for safety.
- 03** Our top management actively supports and encourages individuals who feel their safety or that of their colleagues is compromised to halt work and initiate a conversation, free from fear of reprisal. Recognising outstanding safety performance, we celebrate “Goal Zero Heroes” with a monthly reward, fostering a positive safety culture. These accolades are presented at our regular “Dare to Care” meetings held across our APAC and Oceania regions, where incidents, observations and learnings are openly discussed, and team members vote for the best submissions. Notably, this campaign achieved remarkable success, with zero Lost Time Incidents recorded in 2023 across both regions.
- 04** The exponential growth of our organisation, coupled with the promotion of transparent reporting and a learning culture, has led to an increase in the global incident rate in regions where the campaign is still in its early stages. To counter this trend, our Health, Safety and Environment (HSE) Subject Matter Experts are actively developing targeted training programs for implementation throughout the business.
- 05** Despite challenges, we are heartened by the unwavering commitment to the zero-incident mindset among our people. Our focus remains on learning and sharing as the driving force behind sustainable and continuous growth. We believe that by prioritising safety, having daring conversations and fostering a culture of continuous improvement, we can achieve our goal of a workplace free from incidents.



## The Blue Water Academy

Some of the strongest values of Blue Water are in-house knowledge and skill. That is one of the reasons to why we have built up an in-house Blue Water Academy. Here, our trainees and employees are continuously trained and educated to heighten the expertise and capabilities across professional knowledge, leadership and company strategy.

We consider it a social responsibility to offer our colleagues a solid foundation of education and development based on internationally acknowledged standards.

### Training for improved operations

In the past years, Blue Water has grown a lot, and it is our ambition to continue the growth in the right pace. To ensure continued success, we must keep focus on our purpose, direction and values. One of our strategic directions is the Road to Greater Efficiency. It is about improving our competitiveness by strengthening our processes, our master data governance and the way we work. These elements are imperative for further digitalisation and optimisation – and for delivering solid results.

Our ambition is to profitable growth. To do so, we must benefit from continuously implementing uniform and ‘work smarter’ processes. That is why we train our people to work smarter for smoother operations, benefitting the work environment and improving the outcome of what we do.

### A unique Trainee Programme

Blue Water offers its own two-year trainee programme of transport and logistics to become a skilled freight forwarder. The programme forms a great way to start an inter-

national career, providing high-level courses and professional opportunities. In 2023, more than 50 trainees from all over the world - including Singapore, Vietnam, Guyana and many more - have entered the programme.

The education consists of a mix of physical lectures at the Academy at the headquarter in Denmark combined with online lectures. The international trainees will typically spend the first year at the office in their home country, while the second year will be stationed abroad in another Blue Water office.



# 2021

**The year we opened our Blue Water Academy offering quality education and training at all levels of the organisation. The Academy is frequented by employees from all over the world to strengthen the working relations across borders and business units as well as ensuring a high level of expertise crosswise of Blue Water focusing on a variety of areas from leadership to customer care.**



“

IT'S A UNIQUE OPPORTUNITY TO GAIN THIS EXPERIENCE AT SUCH A YOUNG AGE AT A LEADING COMPANY IN THE INDUSTRY. WE CAN IMMEDIATELY COMBINE WHAT WE LEARN IN OUR THEORETICAL COURSE ON THE JOB, GIVING US A GOOD UNDERSTANDING OF THE WORK. IN MY TRAINEESHIP, I CHOSE TO FOCUS ON ONE DEPARTMENT: REEFER LOGISTICS. I LEARNED HOW WORK IS DONE DIFFERENTLY FOR VARIOUS COUNTRIES AND CUSTOMERS - GAINING VALUABLE INSIGHTS. ALSO, EVERYONE IS WELCOMING AND HELPFUL, MAKING OUR EXPERIENCE A STEEP LEARNING CURVE.

**Jade Reynolds-Brown**

Trainee at Blue Water  
1st year in Brest, France  
2nd year in Esbjerg, Denmark

“

I MOVED FROM HOUSTON TO GUYANA FOR THE TRAINEESHIP, WHICH ALLOWED ME TO EXPERIENCE BLUE WATER'S INTERESTING DEVELOPMENT IN THE COUNTRY. WE DEAL WITH BIG CUSTOMERS AND VOLUMES HERE; IT'S A DIFFERENT BUSINESS SIDE COMPARED TO HOUSTON. BEING ABLE TO WORK IN TWO COUNTRIES, BROADEN YOUR HORIZONS AND EXPERIENCE NEW CULTURES MAKES YOU GROW BOTH PERSONALLY AND PROFESSIONALLY. IF YOU ARE NEW TO THE FREIGHT FORWARDING INDUSTRY, THE TRAINEESHIP IS A GREAT WAY TO GAIN EXPERIENCE IN A WIDE RANGE OF ASPECTS.

**Gabriel Matos**

Trainee at Blue Water  
1st year in Houston, USA  
2nd year in Georgetown, Guyana

“

THE PROGRAMME ALLOWS ME TO DEVELOP MY KNOWLEDGE AND SKILLS ABOUT THE INDUSTRY. MY MANAGER HAS BEEN IN THE BUSINESS FOR ALMOST FORTY YEARS, WHICH MEANS HE CAN TEACH ME A GREAT DEAL ABOUT THE FIELD. I ALSO APPRECIATE THIS AT BLUE WATER; THE WORK CULTURE IS VERY HORIZONTAL. I CAN ASK ANYONE QUESTIONS, AND THEY ALWAYS TAKE THE TIME TO ANSWER AND GIVE INSIGHTS INTO THEIR WORK. THIS RELATIONSHIP WITH COLLEAGUES IS THE KEY TO LEARNING FOR ME.

**Sophie Pinz**

Trainee at Blue Water  
1st year in Singapore  
2nd year in Esbjerg, Denmark

“

I HAVE HAD THE CHANCE TO EXPLORE AND LEARN ABOUT DIFFERENT DEPARTMENTS WITHIN THE COMPANY, RANGING FROM SEA & AIR TO CRUISE & MARINE LOGISTICS AND SALES. THE OPPORTUNITY TO TRY OUT SO MANY DIFFERENT THINGS GIVE ME AN ALL-AROUND UNDERSTANDING OF FREIGHT FORWARDING WORK. BESIDES LEARNING ABOUT THE INDUSTRY, THE PROGRAMME IS ALSO A COMPLETE PACKAGE OF STUDYING ABROAD AND GETTING TO KNOW PEOPLE FROM DIFFERENT CULTURES AND BACKGROUNDS WHO I CAN NOW CALL MY FRIENDS - IT'S ALSO BEAUTIFUL TO SEE US GROW TOGETHER DURING THE PROGRAMME.

**Vitoria Mendes**

Trainee at Blue Water  
1st year in Leixões, Portugal  
2nd year in Esbjerg, Denmark

“

THE TRAINEESHIP ALLOWS ME TO PUSH MY BOUNDARIES. IT IS NOT JUST A COMPANY OFFERING YOU A ROLE, BUT IT ENABLES YOU TO FIND OUT WHAT YOU WANT TO BECOME AND GROW QUICKLY THROUGH THE COLLECTIVE EFFORTS OF YOUR COLLEAGUES. YOU GET THE CHANCE TO TRY OUT MUCH MORE THAN ONE ROLE AND SEE WHAT IS POSSIBLE IN TODAY'S FAST-CHANGING LOGISTICS SECTOR. BEST OF ALL, THE TRAINEESHIP TAKES YOU OUT OF YOUR COMFORT ZONE; YOU GET TO TRY AND MAKE MISTAKES, ALL WHILE LEARNING.

**Len Xiang**

Trainee at Blue Water  
1st year in Shanghai, China  
2nd year in Dubai, UAE



## Community Engagement

We acknowledge the importance of respecting and supporting local rights and matters in the communities we serve. Our approach is centered around collaboration and understanding the unique needs of indigenous communities. We strive to create partnerships that are respectful, mutually beneficial and culturally sensitive.

This involves actively listening to indigenous voices, understanding the historical and cultural contexts of their rights and align our business practices with their values and aspirations.

### Supporting local organisations and initiatives

The Blue Water Foundation supports a range of initiatives that benefit the company's well-being and development. Over the years, we have also provided support to a large number of cultural institutions and cultural projects, just as we continue to provide support to social organisations who promote inclusion and a sense of community.

The initiatives we support are all aligned with our promise to always put people first, as we believe that this approach

drives positive change, builds strong relationships, empowers growth and ultimately makes a lasting impact.

In 2023, the Blue Water Foundation initiated a new line of initiatives. With more than 80 offices worldwide, we can often celebrate local office birthdays. Whenever a Blue Water office marks a milestone anniversary, the Blue Water Foundation donates to a local charity of the local office's choosing.

### CASE

## Global team spirit celebrated at the Blue Water Games

Team spirit and togetherness are important values for Blue Water, which on 2 September 2023 hosted the first-ever Blue Water Games, a global event for all Blue Water employees. Over 1,500 employees participated in the more than 30 countries where Blue Water has offices.

"At Blue Water, we combine our strong local roots with our international presence to create the best solutions for our customers together. The stronger the relationships and team spirit internally, the better the service and quality we can deliver to our customers. There has been great support from the employees, and who are proud of the event - and of being part of Blue Water. There is no doubt that the Blue Water Games strengthen our team spirit and unique culture," says Søren Nørgaard Thomsen.

Most of the activities were customised to local conditions. But there was one event that everyone participated in with great enthusiasm: The North Atlantic Quest, a unique Blue Water online escape room game developed specifically for the occasion. The winning team had the honour of donating DKK 250,000 to a charity of their choice.



## Donating 250,000 DKK to the Hope Foundation for Children with Cancer

With its win in the first-ever annual Blue Water Games, Blue Water Türkiye got the honour to donate 250,000 DKK to a charity of their choice on behalf of the Blue Water Foundation. The office decided to donate to Kanserli Çocuklara Umut Vakfı (KAÇUV/Hope Foundation for Children with Cancer).

The Hope Foundation ensures an optimal environment for treating children with cancer - an essential requirement in the fight against cancer. They care not only for the children, but for the whole family. With their Family Homes, the foundation provides free accommodation and support services to financially disadvantaged children and their families travelling to Istanbul from outside the city for cancer treatment.

"I am very grateful for Blue Water Türkiye's donation of choice; it is a charity doing rewarding work for children and their families in need. I am proud to give back to local communities where Blue Water is present", says Anne Skov, chairman of the Blue Water Foundation.



## Celebrating a decade of Blue Water Vietnam

Blue Water Vietnam recently celebrated its 10-year anniversary with a memorable two-day team-building trip on the island of Thieng Lieng. The trip to Thieng Lieng Island not only served team building, it was also a commitment to corporate social responsibility.

In honor of the 10th-year anniversary, the team decided to donate to a Thieng Lieng community-based tourism cooperative. This cooperative started to bring an additional source of income to the Thieng Lieng salt-farming community, contributing to improving the quality of life of the people. This donation will help to contribute to the development of tourism products and services with local cultural characteristics.





## Focusing on Indigenous Rights and Reconciliation in Australia

A societal focus is present in Australia, addressing the ongoing challenge of historical and contemporary issues related to the rights and well-being of its indigenous people. Issues and concerns cover land rights, cultural preservation and achieving reconciliation between indigenous and non-indigenous communities.

As Blue Water is growing its presence in this region, we are actively engaged in discussions to establish execution actions aimed at enhancing our collaboration with indigenous people and companies. Blue Water's actions are aligned and designed to foster stronger partnerships with these important communities, and we want to contribute to empowerment and economic development.

To support this development, Blue Water has implemented several policies and programmes:

- **CULTURAL AWARENESS PROGRAMMES:**

Implementing awareness sessions, including traditional ceremonies to enhance understanding among employees.

- **CULTURAL RECOGNITION AND PROTOCOLS:**

Integrating acknowledgement of country protocols and encourage employees to include them in email signatures.

- **INDIGENOUS ECONOMIC SUPPORT:**

Exploring which organisations to join, e.g. Supply Nation, supporting indigenous businesses and include indigenous suppliers in sourcing.

- **ARTISTIC COLLABORATION:**

Engaging with local Aboriginal artists to create artwork for the office, promoting cultural representation.



## Blue Water Guyana team 'Walks for Hope' for breast cancer awareness

In October 2023, our team of Blue Water Guyana participated in the Guyana Cancer Foundation's "Walk for Hope" in Georgetown. At the time, colleagues from the US and Denmark were visiting, and they also joined the local office as they walked along with hundreds of others to raise awareness on breast cancer and celebrate the fight against the disease by so many.

"We walked as a team to raise awareness about breast cancer. The Guyanese culture is one of caring and supporting others, as is Blue Water as a company. It was great to participate and show support as a team", says Jennifer Falconer, General Manager, Blue Water Guyana.







# Governance

**We act with integrity to make effective decisions for the greater good**

## Achievements 2023

- › Signed commitment with UN Global Compact
- › Integrated our standards and performance evaluation further into our supply chain and ensured a more centralised third-party risk management approach
- › Strengthened our framework for data processing and cyber security
- › Increased the ease of use of our GMS and conducted training for all levels of users in our organisation
- › Preparing for future reporting requirements e.g., Corporate Sustainability Reporting Directive and Network and Information Security
- › Updated Modern Slavery Policy
- › Updated Global procurement Policy
- › Global Management System (GMS)
  - Quality evaluation of 2,000 documents in GMS
  - Reduction of the total number of GMS documents with approx. 60%
  - Improvement of the search function in GMS

## Short-term targets for 2024

- › Training Board of Directors for Corporate Sustainability Reporting Directive
- › Implementation of third-party due diligence questionnaire framework

## GMS

- › Quality evaluation of all GMS processes and mapping of the Order to Cash Process in Promapp
- › Mapping of selected Group and Management functions processes
- › Development and training of GMS ambassadors at all offices

## Audits

- › Quality evaluation of all GMS processes and mapping of the Order to Cash Process in Promapp
- › Mapping of selected Group and Management functions processes

## Compliance

- › New Supplier Code of Conduct
- › Initiatives on facilitation, gifts and hospitality in line with our Code of Conduct
- › Revised anti-corruption compliance programme
- › Introduction of AI compliance programme
- › Introductions of NIS2 compliance programme



## Dynamic Audit Plans

Blue Water's audit plans continue to play a pivotal role in upholding the highest standards of compliance with the Blue Water Global Management System (GMS) and in meeting the criteria set by the International Standards ISO 9001:2015 for Quality Management, ISO 14001:2015 for Environmental Management, ISO 45001:2018 for Occupational Health & Safety Management and not at least to our customers' expectations.

The Blue Water three-year rolling audit plan operates with a risk-based approach, strategically focusing on critical areas to ensure the thorough coverage of all known aspects. In addition to planned audits, we conduct unplanned audits on a risk-based basis, emphasising our commitment to proactive risk management. The insights gained from both internal and external audits continue to be a valuable resource for sharing best practices and lessons learned throughout our organisation.



Globally, several of our strategic offices have developed and implemented local audit plans with focus on their Internal Management Systems, local legislation and customer specific requirements. The differentiated approach considers the individual characteristics of each legal entity, tailored to the level and type of activity within the company.

We view external audits at Blue Water as an invaluable opportunity for learning, whether conducted by regulators, third parties or our esteemed customers.

In order to handle the complex and differentiated requirements to a rapidly growing global company, we will continuously develop our global and local audit plans with special focus on our Supplier Relationship Management in 2024.

Supplementary to our Group audit plan, the financial audit plan covering controls, diligently overseen by our Finance department. These controls are designed to prevent

errors and guarantee the accuracy of our financial statements, aligning with the seven audit assertions.

The future trajectory involves the sustained implementation of financial internal controls across current and new legal entities. We aim not only to strengthen existing frameworks but also to pioneer new avenues for financial internal controls, aligning with Blue Water's evolving requirements for robust internal controls.

### Supplier Audit achievements in 2023

The audits are divided in:

- Desktop audit (remote)
- Onsite audit
- Questionnaires based on activity type (risk) through our Supplier Risk Management system (SRM)

In 2023, Blue Water conducted four on-site supplier audits and 108 questionnaires through SRM.

Figure 4.1

### Supplier Audits conducted in 2023

Audits	2023
Desktop audit (remote)	-
Onsite audit	4
Questionnaires based on activity type	108





## The Blue Water Code of Conduct

Our Code of Conduct sets out the fundamental governing principles for Blue Water's global organisation, business ethics and employees' expected behaviour.

Since we issued our first Code of Conduct, we have been implementing new standards into our ethical guidelines, and we are continuously adjusting our Code of Conduct to follow global patterns of responsible behaviour that supports a sustainable future.

In 2023, we have increased focus on strengthening our compliance programmes and business ethics by means of several initiatives. We have reviewed our compliance programmes, which has led to emphasis on several important areas such as modern slavery and human trafficking. In this area, we have introduced a new compliance programme consisting of policies, trainings and audits.

Furthermore, a new competition compliance programme has been launched with increased focus on employee involvement as we regard this as a success criterion for being a trustworthy company. Also, we have had focus on zero tolerance approaches towards bribery and corruption, including understanding the internal and external dynamics of our business conducts to mitigate such risks.

As a consequence, we have introduced a revised anti-bribery policy, including a strengthening of our supplier relation management process introducing a third-party due diligence questionnaire in order to support compliance in our supply chain.

### Ethics and business conduct

During the past year, we have emphasised our efforts to secure that we have a zero tolerance towards e.g. inhumane treatment of workers, sexual exploitation, discrimination and harassment.

### Human and labour rights

In Blue Water, we comply with all relevant human and labour rights. We set high standards to act with integrity when it comes to our own workforce as well as workers in our value chain. We comply with relevant human and labour rights as set out in the UN Universal Declaration of Human rights and the Fundamental Conventions of the International Labour Organization.

### Data Ethics in Blue Water

Enabling us to strive for data protection, data integrity, data availability and data confidentiality, we have among other initiatives focused on the following in 2023:

- ▶ Global risk management to identify and evaluate the potential risks towards data. This helps us determine which security measures are needed.
- ▶ Maturing our access controls to help prevent unauthorised access and data breaches.
- ▶ Introducing further IT security measures to protect any company asset possible, including introducing a Security Operational Centre.

In addition, to make sure that our general workforce has a profound understanding and awareness of data ethics, we focus on education and training to equip every employee with the sufficient knowledge and skills to make data protection a default behaviour and help minimise the risk of data breaches.

### Governance, risk management and control

We focus on business ethics supported by the compliance initiatives enabling our employees to operate in an ever-changing environment creating value for customers and stakeholders. Such efforts have e.g. led to the introduction of a global modern slavery compliance programme, introducing a set of policies governing Blue Water's support of the eradication of modern slavery in any form.



**I AM COMMITTED TO ERADICATING MODERN SLAVERY IN ALL ITS FORMS FROM OUR OPERATIONS AND SUPPLY CHAINS. WE RECOGNISE THAT MODERN SLAVERY IS A GLOBAL ISSUE THAT AFFECTS MILLIONS OF PEOPLE, AND WE HAVE A RESPONSIBILITY TO ENSURE THAT OUR BUSINESS IS NOT CONTRIBUTING TO THIS PROBLEM.**

**Søren Nørgaard Thomsen**  
CEO, Blue Water Shipping



## Compliance Portal

In our Compliance Portal, every employee, customer or business partner can:

- › Read about our Code of Conduct and business ethics
- › Report violations of e.g. our Code of Conduct through our whistleblower function - Ethics Line
- › Report on breaches of personal data security
- › Report on gifts and hospitality.

As part of our additional initiatives to strengthen our business ethics and level of compliance, we have made sure that every compliance programme as a minimum consists of:

- › Policies and instructions, ensuring regulations and guidance on each compliance area
- › Training and information targeted relevant employees, customers and other stakeholders in question.
- › Assurance and controls, ensuring appropriate measures are put in to place to meet liability and credibility concerns.

In 2023, we continued to work proactively with risk management to mitigate risks to our company. A new system has been introduced to ensure that mitigation initiatives are well documented over time.

## Grievance mechanism

Blue Water's whistleblower function – Ethics Line – serves as the global grievance mechanism. All employees, customers, suppliers and business partners are expected to act within

the framework of the law and encouraged to take action if they encounter any deviations. This can be done with name or anonymously through the Ethics Line.

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

The Ethics Line serves to:

- › uncover and control unethical and illegal conduct and practice within the Blue Water global organisation
- › ensure that all employees observe the current legislation and operate within the company's moral and ethical framework.

## What conditions can be reported

As an employee, customer or business partner you can report to the Ethics Line if you know about or have reasonable suspicion of business misconduct, severe, substantial and/or repeated errors and omissions in the organisation. For instance, issues regarding:

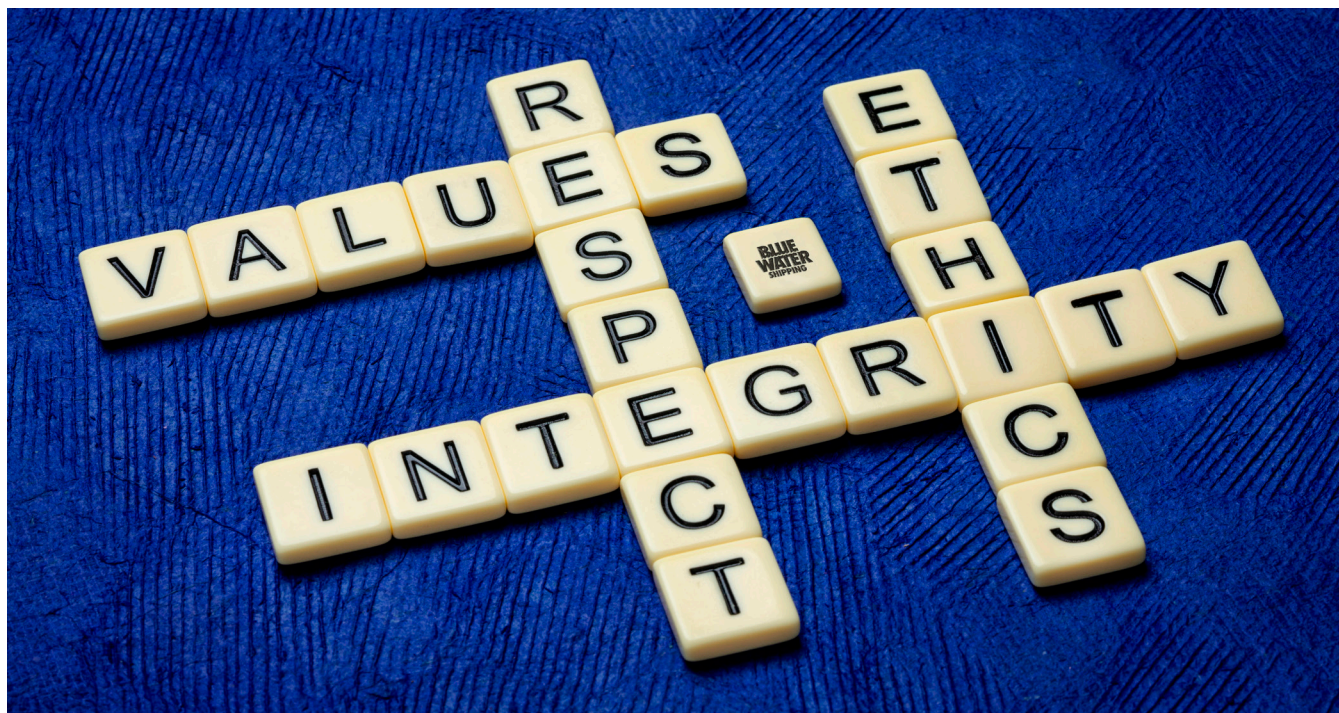
- › Breach of law and non-compliance legal matters
- › Health and safety risks towards employees
- › Environmental damages
- › Fraud and corruption
- › Theft
- › Cases of harassment and discrimination.

All cases are processed through the approved processes, policies and procedures governed by the Ethics Committee.

Figure 4.2

### Whistleblower cases

Cases	2023
Substantiated whistleblower cases	19
Cases transferred to the police	1



## Mandatory training programmes for all employees

Upon hiring, Blue Water employees are introduced to our Code of Conduct through the employee handbook. During onboarding, every employee gains access to the Code of Conduct and is required to read it as part of the initiation period. Automatic enrolment in e-learning courses ensures that employees easily acquire the necessary knowledge.

A specific e-learning course for all employees includes a presentation of the Code of Conduct followed by a test. To pass the test, correct answers to at least three out of four questions are required, with five attempts available.

Additional modules cover the Compliance Portal, Ethics Line and Reporting of Data Processing Violation. Each module features a short introductory video and a subsequent test where all questions must be answered correctly to pass.

Upon successful completion of the course, employees receive an email confirming their training completion and their familiarity with the Code of Conduct and related procedures. This mandatory training programme ensures a fundamental understanding of the company's values and obligations for all employees.



## Employee training in good business conduct

Training type	Target	2023
<b>Employee training</b>	<b>&gt; 80%</b>	<b>85%</b>
Cyber Security: The key to ransomware	> 85%	86%
Cyber Security: Beware of false business emails	> 85%	83%
Cyber Security: Cyberspies in disguise	> 85%	84%
Sanctions – high-risk countries and procedures 2023	> 80%	83%
Business Ethics and Compliance awareness training	> 80%	85%

Figure 4.3

## Supplier Relationship Management system

In 2022, we expanded our ongoing work with Supplier Management by centralising compliance documentation in one centralised location within the Supplier Relationship Management system.

The system is fundamental for us to ensure that selection and performance evaluation of suppliers to Blue Water is managed according to our internal requirements when it comes to Quality, Environment, Health, Safety, Security and Compliance. This also includes supplier engagement and auditing.

In 2023, we continued the integration of the system with training and workshops. Com-

munication and awareness of the system was the main objective in 2023. Training videos have been produced and shared with the employees. The implementation has started in Asia, and during 2023, it has spread to Europe and South/North America.

In 2024, focus on risk management will increase to better control our supply chain and check where the risks exist. This must be done through supplier audits and compliance scores, which are assessed based on suppliers' performance according to Quality, Environment, Health, Safety, Security and Compliance.

## Our policies and policy implementation

Our policy	The policy in short	Example(s) of policy implementation
<b>Global Environmental Policy</b> <a href="#">Download here</a>	<p>The policy describes our efforts to continuously reducing environmental impact based on defined environmental targets and upholding our certification in accordance with ISO 14001.</p>	<ul style="list-style-type: none"> <li>› Certified ISO 14001:2015 Management System at the offices in Esbjerg, Oslo, Nantes, Brest, Houston, Aberdeen, Baku, Rio de Janeiro, Singapore, Brisbane, Perth, Port of Brisbane and Trinidad and Tobago</li> <li>› Global Environmental targets.</li> </ul>
<b>Global Quality Policy</b> <a href="#">Download here</a>	<p>The policy describes how we want to ensure customer satisfaction through quality and service, which are essential parts of our daily efforts to deliver the best solutions for our clients.</p>	<ul style="list-style-type: none"> <li>› Certified ISO 9001:2015 Management System at the offices in Esbjerg, Oslo, Nantes, Brest, Houston, Aberdeen, Baku, Rio de Janeiro, Singapore, Brisbane, Perth, Port of Brisbane and Trinidad and Tobago</li> <li>› Global annual customer satisfaction survey</li> <li>› Global Quality targets.</li> </ul>
<b>Global Health &amp; Safety Policy</b> <a href="#">Download here</a>	<p>The policy describes how we work to involve and encourage employees to care, consult and actively participate in health and safety initiatives and procedures to uphold a safe and healthy working environment for the protection and wellbeing of our employees.</p>	<ul style="list-style-type: none"> <li>› Certified ISO 45001:2018 Management System at the offices in Esbjerg, Oslo, Nantes, Brest, Houston, Aberdeen, Baku, Rio de Janeiro, Singapore, Brisbane, Perth, Port of Brisbane and Trinidad and Tobago</li> <li>› Global Health and Safety targets</li> <li>› Implementation of the HSSEQ Reporting System to record and handle all incidents, accidents, non-conformities, observations, suggestion for improvements and near-misses at our workplace and take all practicable steps to prevent these events from happening again, including ongoing Root Cause</li> <li>› Analysis and implementation of lessons learned.</li> </ul>
<b>Global Tax Policy</b> <a href="#">Download here</a>	<p>By adhering to transparent and trustworthy business practices, we aim to contribute to countering corruption and ensuring a fair and level playing field. The policy describes our responsible approach to tax legislation that enables us to comply with tax legislation in the various jurisdictions in which we operate globally.</p>	<ul style="list-style-type: none"> <li>› The Groups Global Tax Policy is aligned with the values which is described in Blue Water's Code of Conduct</li> <li>› We have committed to accurate financial reporting which also includes the company's tax</li> <li>› The Country-by-Country report (CbCr) gives transparency to how much taxes are paid and to whom</li> <li>› The CbC reporting is mandatory and to be filed to Tax Authorities for MNE's who consolidated revenue exceeds 750m EUR, thus also Blue Water</li> <li>› From the first financial year starting on or after June 22, 2024, the CbC report is to be published for all large multinational companies with consolidated revenue above DKK 5.6bn.</li> </ul>
<b>Global Privacy Policy</b> <a href="#">Visit our website</a>	<p>This policy describes how Blue Water processes personal data, including collect, use, store and retain personal data while acknowledging legal requirements, business needs and customer/employee's expectations within expectation of privacy.</p>	<ul style="list-style-type: none"> <li>› Global implementation of e-learning in Data Privacy Awareness Training</li> <li>› Classroom trainings for Group IT and Group People &amp; Culture, including other staff groups</li> <li>› Global management review of data privacy initiatives yearly</li> <li>› Audits of data processors and data sub-processors</li> <li>› Meeting regulatory requirements through, but not only, securing the processing of personal data with data processing agreements with Blue Water business partners.</li> </ul>



## Our policies and policy implementation

Our policy	The policy in short	Example(s) of policy implementation
<b>Ethics Line Policy</b> <a href="#">Download here</a>	<p>Blue Water is committed to an environment where open and honest communication is the expectation - not the exception. Without fear of retaliation, Blue Water wants each employee to feel comfortable in approaching management in instances where you believe violations of legislation, policies and/or standards have occurred - as an alternative a report about the concern can be send to the Ethics Line, which is also possible for business partners, suppliers and other stakeholders.</p>	<ul style="list-style-type: none"> <li>› Global implementation of policy, including supporting documentation.</li> <li>› E-learning training and introduction on an ongoing basis for all employees regarding Code of Conduct and Ethics Line</li> <li>› One-to-one with management and mid-level management regarding the importance of the is topic</li> <li>› Audit programme to support controls and follow-ups securing internal and external compliance.</li> </ul>
<b>Modern Slavery Policy</b> <a href="#">Download here</a>	<p>This policy sets out the commitment of Blue Water to prevent and eradicate modern slavery and human trafficking in all our operations and supply chains. We are committed to complying with all relevant laws and regulations and taking additional steps to ensure that modern slavery and human trafficking do not occur within our business or our supply chains.</p>	<ul style="list-style-type: none"> <li>› Global implementation of policy, including supporting documentation such as CEO statement</li> <li>› One-to-one with management and mid-level management regarding the importance of the is topic</li> <li>› Preparation of audit programme to support controls and follow-ups securing internal and external compliance.</li> </ul>
<b>Anti-corruption and Anti-bribery and Facilitation Policy</b>	<p>This policy documents Blue Water's commitment to the highest standards of business ethical conduct. Blue Water takes a zero-tolerance approach towards bribery and corruption. Blue Water will always seek to act professionally, fairly and with integrity towards all stakeholders, including customers and employees.</p>	<ul style="list-style-type: none"> <li>› Global implementation of policy, including supporting documentation</li> <li>› Revised e-learning training and introduction on an on-going basis for all employees</li> <li>› One-to-one with management and mid-level management regarding the importance of the is topic</li> <li>› Introduction of audit programme to support controls and follow-ups securing internal and external compliance.</li> </ul>
<b>Procurement Policy</b>	<p>This policy is to structure the company's sourcing strategies and purchasing processes to ensure that the services and products we acquire are the result of transparent, objective, time and cost-effective decision making.</p>	<ul style="list-style-type: none"> <li>› Global guidelines for both strategic and non-strategic procurement</li> <li>› Role definition with clear criteria for selection of suppliers.</li> </ul>



## Improving our Global Management System

In 2023, specific enhancements were made to ease the use of the Global Management System (GMS). This includes user interface improvements and streamlining of processes that contribute to user satisfaction and efficiency.

The Quality department has in collaboration with affected Business Units and Group functions focused on quality evaluation of more than 2,000 global and local documents in GMS. This has resulted in reduction of the

total number of GMS documents by approx. 60%. By reducing the number of documents, we improve the overview, level of quality and not least applicability for global colleagues to whom these policies and guidelines are targeted.

Another tool for reducing the number and improve the quality of procedures and other management system documents has been the focus on creation of common global procedures, whereby we have been able to

phase out different local versions of common procedures. This has been done in close cooperation with all stakeholders involved.

Through Blue Water's systematic process for assessing risks and opportunities, we have successfully implemented mitigation initiatives, based on a proactive approach, to control the risks and to actively identify and recognise potential opportunities within Blue Water.

We are continuously working on development of training programmes for all levels of users, emphasising relevant topics and the positive impact on user proficiency and system utilisation.

In 2024, we will continually focus on process optimisation of Blue Water's GMS as well as create greater knowledge and ownership of the GMS at all levels and locations. This includes both ISO certified offices and those offices who are yet to be certified.

# Methodology and Accountability

## Carbon accounting principles by the Greenhouse Gas Protocol

Figure 5.1

### Carbon accounting principles by the Greenhouse Gas Protocol

The most widely used international standard for greenhouse gas emissions accounting throughout the value chain is the GHGP. The protocol provides a comprehensive global standard for measuring, reporting and managing greenhouse gas emissions. Hence, it represents a consistent way of calculating the overall carbon footprint of a company and all its activities and operations.

In Blue Water, this enables us to better understand and gain an overview of the activities driving our carbon footprint, meaning that we can set an ambitious reduction target and measure and manage our performance.

### Three scopes and types of emissions

It follows from the GHGP that the carbon accounting must include greenhouse gas emissions associated with three different areas to give a complete picture of a company's carbon footprint. These are referred to as scopes:

- SCOPE 1:** Direct emissions from company-owned and controlled resources. In other words, emissions are released into the atmosphere as a direct result of a set of activities at company level (e.g., fuels for company owned vehicles or company-owned heating sources).
- SCOPE 2:** Indirect emissions from the generation of purchased energy from a utility provider. In other words, all CO<sub>2</sub>e emissions released in the atmosphere, from the consumption of purchased electricity, steam, heat and cooling.
- SCOPE 3:** Indirect emissions that occur in the company's value chain, including both upstream and downstream emissions. In other words, emissions are linked to the company's operations, including those generated by customers, suppliers and distributors by employees' business travel and by the usage of services or products sold.



### Calculating Scope 1 and 2 emissions

With the use of our data collecting tool described on page 13, we have increased the level of detail of our scope 1 and 2 carbon accounts over last few years across locations and warehouses to ensure a better data quality.

- › Scope 1 and 2 CO<sub>2</sub>e emissions are based on actual consumption data from all Blue Water locations worldwide.
- › CO<sub>2</sub>e emissions from electricity consumptions are based on the location-based method.
- › Due to the complexity of obtaining emission factors for the local district heating network worldwide, CO<sub>2</sub>e emissions from district heating are based on the Danish average emission factor for district heating for all locations.
- › With regards to electricity consumption at Blue Water offices, country-specific emission factors have been used by means of the location-based method.
- › Data for electricity consumption in 2023 is based on average carbon emission factors for the year 2022. It is assessed by third-party that this accounting method is valid.
- › For some locations, it has been necessary to estimate energy consumption, since some of our offices are shared with others in a larger building. Hence, where this has been the case, we have used the energy consumption/m<sup>2</sup> for a similar building multiplied by the amount of m<sup>2</sup> in the office in question.

### The location-based method

The location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). The environmental declaration denotes the actual delivered electricity and is calculated based on aggregated and average statistical information within a geographically defined area and a given period, typically a year.



## Method for mapping scope 3 emissions

- › Scope 3 CO<sub>2</sub>e emissions are calculated based on a combination of activity-based and spend-based data.
- › All scope 3 CO<sub>2</sub>e emissions are based on data from our accounting system.
- › Scope 3 CO<sub>2</sub>e emissions are divided into Business Units – except from emissions from transportation and employee travel.

Blue Water is in the process of implementing EcoTransIT on all transportation, which calculates accurate carbon emissions for transportation tasks. In 2023, EcotransIT data for the top 26 customers was included accounting for 18.5% of total expenses for transportation. The previous year approx. 11% was covered, making this a more valid and robust method for mapping scope 3 emissions.

To improve validity of carbon emissions from transportation, the following method is used to calculate scope 3:

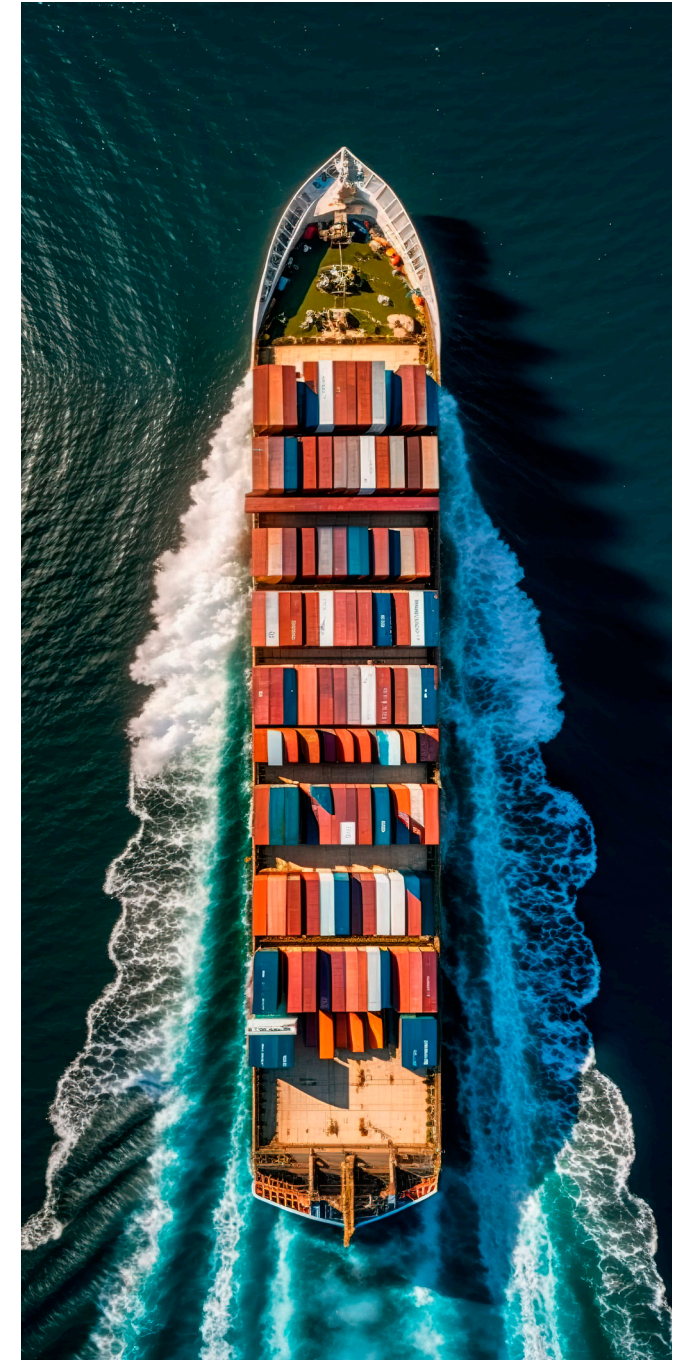
- › The largest customers' transportation was manually processed through EcoTransIT to get actual emissions.
- › The actual calculated emissions from EcoTransIT replaced the corresponding emissions based on spend for these customers.
- › New emission factors (kg CO<sub>2</sub>e/DKK) were calculated based on actual EcoTransIT emission and corresponding weighted spend.
- › The new emission factors are applied to all transportation – except rail transportation from China to Europe where no EcoTransIT calculation was available.

Below is the emission factors from Exiobase and a calculated emission factor based on actual EcoTransIT calculations and spend.

### Exiobase emission factors

Transport form	Emission factor (Exiobase)	Emission factor (calculated)	Difference
	kg CO <sub>2</sub> e/DKK	kg CO <sub>2</sub> e/DKK	Percentage
Air (international)	0.246	0.445	+81%
Road	0.066	0.045	-32%
Sea	0.526	0.173	-67%
Courier	-	0.050	-
Rail	0.113	-	-



The emission factors from Exiobase and the calculated emission factor deviate up to 81%.



### Scope 3 categories included in our accounting following GHG categories



No	GHG categories	tCO <sub>2</sub> e emission in 2023	Included in 2023	Included in 2022	Data source
1	Purchased goods and services	19,203	✓	✓	Accounting system
2	Capital goods	0		✓	Accounting system
3	Fuel and energy related activities	946	✓	✓	Collected from each location
4	Upstream transportation and distribution	935,018	✓		Accounting system and EcoTransIT
5	Waste generated in operations	97	✓		Average-data method
6	Business travel	3,873	✓	✓	Accounting system
7	Employee commuting	3,626	✓		Distance-based method
8	Upstream leased assets	3,921	✓		
9	Downstream transportation and distribution (for customers)		Included in no. 4	✓	
10	Processing of sold products	-	N/A	N/A	-
11	Use of sold products	-	N/A	N/A	-
12	End-of-life treatment of sold products	-	N/A	N/A	-
13	Downstream leased assets	-	N/A	N/A	-
14	Franchises	-	N/A	N/A	-
15	Investments	-	N/A	N/A	-

# ESG Key figures overview

KPI	Metrics	2023	2022	2021
 <b>ENVIRONMENT</b>				
CO <sub>2</sub> e scope 1 (location-based)	Tonnes	2,908	2,519	2,385
CO <sub>2</sub> e scope 2 (location-based)	Tonnes	1,314	1,267	1,237
CO <sub>2</sub> e scope 3 (location-based)	Tonnes	970,877	946,021	864,449
Electricity consumption	MWh	6,671	6,770	6,426
Natural gas consumption	m3	15,214	13,497	12,545
District heating consumption	MWh	1,576	1,342	1,678
Heating oil	MWh	106	16	2
Fuel consumption	m3	987	920	886
Water consumption	m3	12,761	13,363	14,798
 <b>SOCIAL</b>				
Fulltime workforce	FTE	2,154	1,813	1,568
Total Recordable Incidents, first aid cases, medical cases and Lost Time Incidents	Incidents	24	15	21
Lost Time Injury Frequency Rate	LTIF	2,91	1,55	2,07
Employee Satisfaction and Motivation	Index	80	80	77
ESG Roadshows				
Denmark	Numbers	12	-	-
International	Numbers	5	-	-
Participation to Roadshows				
Denmark	Numbers	324	-	-
International	Numbers	76	-	-
Board of Directors				
Female	Numbers	2	2	-
Male	Numbers	4	5	-
Gender with lowest representation	%	33	29	-



# ESG Key figures overview

KPI	Metrics	2023	2022	2021
 <b>SOCIAL</b>				
Board of Management				
Female	Numbers	0	0	0
Male	Numbers	4	4	3
Gender with lowest representation	%	0	0	0
Executive Level (E1 - E6)				
Female	Numbers	3	3	-
Male	Numbers	26	24	-
Gender with lowest representation	%	10	11	-
People Leaders (L1 - L5)				
Female	Numbers	84	-	-
Male	Numbers	249	-	-
Gender with lowest representation	%	25	-	-
Entire Organisation				
Female	Numbers	912	-	-
Male	Numbers	1622	-	-
Gender with lowest representation	%	36	-	-
 <b>GOVERNANCE</b>				
Internal audits	Numbers	57	55	33
Supplier audits				
Desktop audit (remote)	Numbers	-	-	-
Onsite audit	Numbers	4	-	-
Questionnaires based on activity type	Numbers	108	-	-
Substantiated whistleblower cases	Numbers	19	-	-
Cases transferred to the police	Numbers	1	-	-
Number of employee training on business conduct (incl. cyber security, code of conduct, global security and sanctions)	Numbers	5	9	10

# Management statement regarding this report

Today, our Board of Directors and Management Board has evaluated and approved this Sustainability Report and the underlying reporting and accounting practices. We believe that this report presents the sustainability results, initiatives

and commitments for the Blue Water Group in a fair, transparent and balanced way. This applies to both our environmental performance, our efforts within social responsibility as well as our governance structures, controls and processes.

As evidence, we approve the ESG performance data in the Sustainability Report for the reporting period 1 January to 31 December 2023.

**Esbjerg, 19 March 2024**

## **Board of Directors:**

Jørgen Wisborg (Chairman)  
Jørgen Meyer (Deputy Chairman)  
Anne Skov (Deputy Chairman)  
Kurt Skov  
Niels Kaalund  
Merete Søby

## **Management Board:**

Søren Nørgaard Thomsen (CEO)  
Flemming Busch (CFO)  
Dan Nissen (COO - Transport & Logistics)  
Thomas Bek (COO - Energy, Ports & Projects)