



# Celsius Shipping

CSR Report 2019



*Safe and reliable transportation since 2012*



# Message From CEO

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Celsius Shipping actively participates in CSR activities and incorporates CSR initiatives in our strategy at any given time.

Celsius Shipping focuses on areas related to health and safety, environment, climate and welfare.

The Celsius Group has made a commitment to support the United Nations' Sustainable Development Goals and hereby incorporating these in our day-to-day business practices. While we strive to live by these goals, our group has pinpointed 2 specific goals, which are special focus areas where we, as a global marine transportation company, can make a difference. These are "Climate Action" & "Life Below Water".

In 2019, all in Celsius has been working hard towards a swift and efficient transition for fully IMO 2020 compliancy.

By the end of 2020, 74% of our 50-vessel fleet will have Ballast Water Treatment Systems installed. Last installment is planned in 2023, a year before the final deadline.

"Our vision is to be recognized as the leading shipping investment platform through our performance, our people and our commitment to deliver superior value to our partners."

"Our mission is to provide safe and reliable transportation globally with respect for the environment, our employees, our partners and international law."



*Jeppe Jensen, CEO & Founder*



# CSR Highlights

## Celsius Shipping at a glance

### COMMENTARY

The Celsius Group incorporates CSR initiatives in its strategy at any given time.

Celsius Shipping focuses on areas related to health and safety, environment, climate and welfare.

Prevent loss of life, work-related injury or illness by promoting safe and healthy practices and proper planning and execution of operations.

Celsius Shipping will strive to continuously improve itself in these fields and communicate openly about the results we achieve.

As with everything else in Celsius Shipping, CSR is met with an open mind to assure the challenges will be solved with an objective mind-set to get optimal results.

### GENDER DIVERSITY

**20%** WOMEN IN THE SHORE BASED WORK FORCE

### SUSTAINABLE DEVELOPMENT GOALS



### SPECIAL FOCUS AREAS



### INDUSTRY COMPLIANCE

**100%** COMPLIANCE WITH IMO 2020 REGULATIONS

**100%** COMPLIANCE WITH BALLAST WATER MANAGEMENT CONVENTION

### SAFETY

**0.98** LOST TIME INCIDENT FREQUENCY (LTIF) in 2019

**1.43** TOTAL RECORDABLE CASES FREQUENCY (TRCF) in 2019

# Business Areas

A highly diversified fleet fully compliant with international trading requirements and regulations

Group Fleet	Dry Bulk Carriers	Chemical Tankers	Product Tankers	Container Feeders	LNG Carriers	Ethylene Carriers
						
<b>Number of Vessels</b>	14	13	11	8	4	2
<b>Size</b>	63,000 DWT	19,997-26,390 DWT	46,000-113,100 DWT	2,564-4,132 TEU	180,000 CBM	9,000 CBM
<b>Average Age</b>	4	13	11	12	Newbuildings	12
<b>Green Profile</b>	WPSP Green Certificate (Score: 20.7)	WPSP Green Certificate (Score: 9.4) Green Passport			WPSP Green Certificate	
<b>BWTS Equipped Vessels Ratio</b>	100%	31% (100% by 2022)	63% (100% by 2021)	14% (100% by 2022)	100%	0% (100% by 2023)

# United Nations' Sustainable Development Goals

Group Commitment to follow UN's guidelines - 2 special focus areas

## SUSTAINABLE DEVELOPMENT GOALS



Celsius Shipping has swiftly and efficiently transformed into full IMO 2020 compliancy using low Sulphur Fuel on all vessels.

Celsius has ordered 4 LNG carriers with industry-low fuel consumption and carbon footprint per transported unit. Celsius believes in LNG as the future marine fuel to reduce GHG emissions by 40% by 2030.

Celsius Shipping is committed to preserve the planet's marine life.

Celsius Shipping's environmental strategy prevents application and use of open-loop scrubbers.

Celsius Shipping is in full compliance with IMO's Ballast Water Management Convention.



# Health, Safety and Environment

HSE Policy is incorporated in day-to-day business practices and company values

## OCCUPATIONAL HEALTH AND SAFETY

**It is Celsius' policy to provide a safe and healthy workspace for shore based as well as shipboard personnel and the company is committed to:**

- Prevent loss of life, work-related injury or illness by promoting safe and healthy practices and proper planning and execution of operations.
- Comply with applicable requirements for Occupational Health and Safety (OH&S).
- Establish its own standards and guidelines where existing laws and regulations are inadequate to assure protection of human health and safety.
- Establish clear OH&S objectives and targets towards minimizing risk potentials and protect all staff working on board ships using appropriate technology and operating procedures.
- Encourage all individuals to identify potentially unsafe conditions or unlawful practices and to undertake corrective measures.
- Provide all its employees with information, equipment and training necessary for them to carry out their work safely.
- Conduct regular safety and contingency drills by the Master and at times supervised by the shore-based personnel, ensuring all personnel are fully conversant with their duties to maintain an efficient team on board to deal with all contingencies and emergencies.
- Ensure that safety is uppermost in mind in all Company instructions.
- Continuous improvement in OH&S management and performance.

## THE ENVIRONMENT

**It is Celsius' policy to work towards a cleaner marine environment and Celsius is committed to:**

- Firmly support the International Convention for the Prevention of Pollution from Ships (MARPOL) and other environmental requirements believing that the first line of defense against pollution is to avoid accidents occurring.
- Comply with applicable marine environmental protection requirements established under International, Flag State, Port State and Coastal State Laws including but not limited to MARPOL, concerning the use of Oily Water Separators, Oil Content Meters, Incinerators and other Pollution Prevention Equipment.
- Improving energy efficiency and reducing GHG emissions from vessels.
- The company is committed to achieve zero spill with continuous improvements through:
  - ✓ Continuous improvement in environmental performance and the Environmental Management System.
- Pollution prevention with an emphasis on source reduction, including the funding and human resources necessary to effectively maintain and repair the systems, equipment, and components found in machinery spaces of vessels.
- Continuous reduction of environmental risks.
- Sharing information with external stakeholders on environmental performance.
- Undertake steps in energy conservation to help address the problem of depleting natural resources and its impact on the environment.

# Anti-Corruption and Anti-Bribery Policy

Full compliance with all applicable laws, regulations and rules

**Celsius Shipping is committed to act in full compliance with all applicable laws, regulations and rules regarding bribery and corruption and recognizes that such practices undermines legitimate business activities, ruin reputations and can expose Celsius Shipping, its employees and business partners to unacceptable risks and losses. The objective of this Anti-Bribery and Anti-Corruption Policy is to state Celsius Shipping's requirements towards its business practices and personal conduct of its employees as it pertains to bribery and corruption.**

## **Anti-Bribery**

Celsius Shipping has a zero-tolerance policy against bribery and works actively to ensure that no bribery takes place on behalf of the Company, by its employees or by agents and partners on its behalf.

## **Political Contributions**

Celsius Shipping does not give political contributions of any kind. Celsius Shipping does not enquire as to its employees' political affiliations and employees are free to engage in political activities as long as this is done without connection or reference to Celsius Shipping.

## **Charitable Contributions**

Celsius Shipping may give charitable contributions at its discretion with proper prior vetting and due diligence to ensure that such contributions are not made for the purpose obtaining any undue business advance. Celsius Shipping's employees are free to privately make charitable contributions as long as this is done without connection or reference to Celsius Shipping.

## **Gifts, Hospitality and Entertainment**

Celsius Shipping's employees should make themselves aware of any policies of customers or partners with regards to gifts, hospitality and entertainment and be mindful of the fact that gifts, hospitality and entertainment is often restricted in the public sector.

## **Anti-Corruption**

Celsius Shipping works actively against all forms of corruption and will exercise all due efforts along with its employees, agents and partners to combat corruption.

## **Anti-money laundering**

Celsius Shipping does not accept or make payments to unknown third parties or without verification of the payment's relation to its business.

## **Sanctions**

Celsius Shipping complies strictly with all applicable sanctions regimes and continuously monitors changes to sanctions and other types of trade restrictions. Celsius has procedures in place to ensure proper identification and screening of counterparts to ensure that no business is done with sanctioned entities or individuals.

## **Compliance and Monitoring**

All directors and employees of Celsius Shipping are required to read, sign and comply with this policy as condition for their employment.

Celsius Shipping continuously monitors compliance with this policy and make updates reflecting changes in policies, best practices and regulations.

# Education

Close relationship with Copenhagen Business School (CBS) supporting the maritime program



*As Celsius Shipping has grown into one of the largest shipowners, we have taken part in supporting the Bachelor Program at CBS, “International Shipping and Trade”.*

## Key-Note Speaker at CBS Career Fair



*Jeppe Jensen (Founder of Celsius Shipping) giving the Keynote Speech at the 2019 Career Fair for the maritime program. Jeppe gave the students insights into his 30-year career in shipping, including how he built Celsius Shipping. He concluded his speech by giving the young students good advice on how to succeed in this industry.*

## Guest Lecturing (Advanced Maritime Economics)



*Morten Nielsen (EVP, LNG) & Frederik Jensen (Head of Business Development) hosted a guest lecture in the course “Advance Maritime Economics”. Morten and Frederik gave a presentation about the LNG market and shared insights into the investment process related to Celsius Shipping’s order of Newbuilding LNG carriers.*

## Internships / Student Assistants



*Celsius Shipping participates in the Internship Program for 3<sup>rd</sup> year Bachelor students of International Shipping and Trade at CBS. Peter Kohl, has been with us since September 2019. He will continue working at Celsius Shipping as Student Assistant, while he completes his Master’s Degree at CBS.*



*Jonas Andersen graduated from the Shipping and Trade Bachelor Program in 2018. He has worked with Celsius as a Student Analyst since November 2019 while finalizing his Master’s degree in Applied Economics and Finance at CBS. From June 2020, Jonas will join Celsius full time as Investment Analyst.*

# Ship Maintenance and Recycling

Celsius supports the ongoing industry transformation based on highest international standards

**Celsius Shipping's business model is to own and operate a modern and diverse portfolio of vessels by continuously maintaining and renewing the fleet.**

- Celsius Shipping is one of the World's fastest growing shipowners with 49 secondhand vessel acquisitions during the period 2016-2019.
- Celsius is one of the leading tonnage providers in the Nordics and takes pride in offering modern, quality tonnage to its commercial business partners.
- Celsius has a strategy to continuously renew the existing fleet by acquiring modern vessels, maintaining the existing fleet and divesting vessels before the age of 20.
- To date, Celsius Shipping has not been involved in ship recycling but is committed to support the industry's efforts to transform the recycling industry and improve transparency.

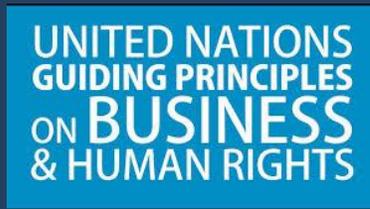


*We have come far with improvements for a safe working environment onboard our ships. Ship recycling, although coming last in the life cycle, has our attention and we wish to be part of the movement to improve and support international standards for an environmentally safe way to recycle mature tonnage. This is to go hand in hand with improved safety standards for the local workforce in the traditional recycling areas. It is our duty to ensure that everybody involved in our industry can work in a safe environment and return home safely after the job is done. As a responsible shipowner, we must be part of improving standards.*

**Niels Stig Christensen**  
**COO, Celsius Shipping**

## **Relevant International Standards & References supported by Celsius Shipping**

- Hong Kong Convention
- UN Guiding Principles on Business and Human Rights
- ILO Conventions



# Social Awareness

Celsius Shipping continuously gives aid to the local community supporting good causes

Apart from continuously implementing good CSR standards in our surrounding business environment, each year, we give support to various good causes. In 2019, we gave support to:



Frelsens Hær



Danish Paralympic Team



Danmark Planter Træer



Kirkens Korshær

# Focus on technology, innovation and reducing carbon footprint (1/2)

USD 800m order of 4 x 180,000 CBM LNG Carriers with top-of-the-industry design and fuel performance

## Celsius Tankers aspires to become a leading provider of high-quality ECO LNG carriers

- Celsius Tankers has placed an order for 4 x 180,000 cbm LNG carriers at Samsung Heavy Industries (SHI) with **industry low consumption and emissions**.
- Celsius Tankers is committed to grow the presence in the LNG shipping market and build a fleet of vessels with the **highest specifications** available through newbuilding orders with focus on industry **low unit freight cost** and **lowest emissions**.

## The Celsius LNG newbuildings are the most efficient in the market and will ensure safe, reliable, cost-efficient and environmentally friendly transportation.

- Built to the highest specifications, the design marks a new generation of LNG Carriers - offering significant improvements from previous designs.
- By applying the latest technology, the vessels will have the lowest fuel consumption and a boil-off rates available.
- The first LNG carriers with Samsung's Air lubrication system (SAVER Air) fitted to reduce fuel consumption by minimizing hull friction in the water.
- Cargo carrying capacity is increased to 180,000 cbm and vessels' filling ratio is more than 99% of capacity – resulting in industry lowest unit freight cost.
- Advanced big data collection tool (INTELLIMAN) enhancing diagnostics and remote assistance from shore.
- Improved cargo handling time with full cargo load/discharge in 12 hours corresponding to approximately 15,000 cbm/hour.
- Additional features such as a bow thruster and fully TIER III compliancy.
- High focus on crew welfare and crew retention including additional space for onboard training (40 cabins).



# Focus on technology, innovation and reducing carbon footprint (2/2)

Significant CO2 Emissions savings compared to existing modern LNG carriers

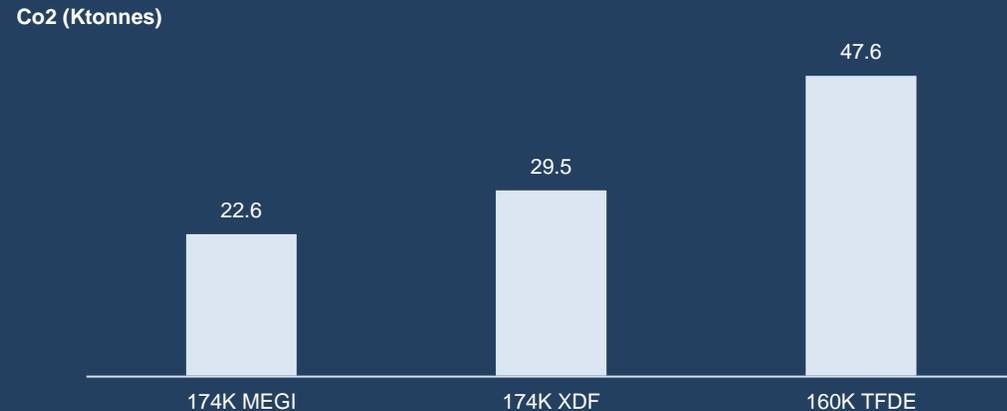
**Celsius Newbuildings are designed to lower emissions via lowest fuel consumption and operational excellence tools:**

- Celsius 180K M3 X-DF LNG carriers offer charterers significant reductions on CO2 emissions compared to other specifications in the market.
- With an increasing global energy demand and a high political focus on CO2 emissions reductions, the importance of emissions friendly maritime transportation is becoming more evident.
- The large reductions on CO2 emissions on Celsius 180K M3 X-DF LNG carriers vs other designs in the market apply whether trading vessels long or short haul and irrespective of speed.
- The **annual reduction** of CO2 emissions on Celsius 180K M3 X-DF LNG carriers amount to:

✓ **15,000 to 30,000 tonnes of CO2** vs 174K M3 X-DF and MEGI LNG carriers

✓ **20,000 to 50,000 tonnes of CO2** vs 160K M3 TFDE LNG carriers.

**Annual Savings of 20,000-50,000 tonnes of CO2\***

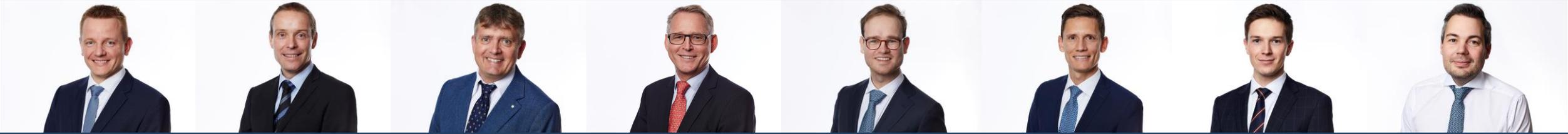
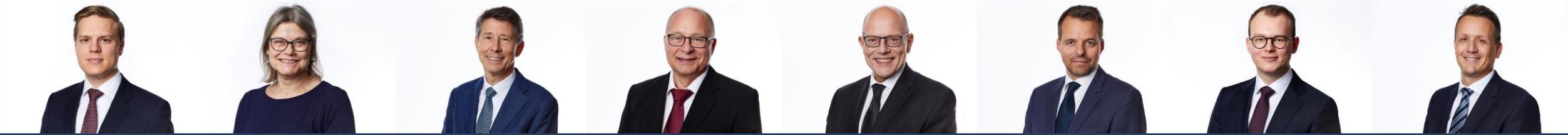


**Accumulated savings over 7-years: 150-300,000 tonnes of CO2\***



\*Celsius 180K M3 X-DF vs Alternative Specifications - USG – Far East trade at 19 knots

# Onshore Employees



Thank You!

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