



Responsibility Report 2022

Responsibility report

Responsible behavior and sustainability are embedded in the way we conduct business in TORM. We are committed to protecting our employees, our assets, our environment, and our society. We believe that a sustainable business also creates business value for TORM.

We constantly push ourselves to remain relevant and competitive in the eyes of our investors, customers, employees, financiers, and other key stakeholders. We do this by deeply integrating sustainable business practices in our commercial strategy to consider how we affect the world around us, and how the world around us has an impact on us.

TORM's sustainability approach and actions are guided by a range of both internal and external instruments. We harness these to build an overarching approach to create a more sustainable future, sustainability measures allowing us to take decisions based on knowledge, and to provide transparency to our stakeholders. This is done by constantly challenging ourselves and the way we work. Further, TORM does this by interacting and collaborating with different peers and industry stakeholders.

Transparency and accountability are key to TORM's way of doing business, and these values play a central role in our responsibility approach. The principles in the model to the right illustrate some of the important elements of the way we think sustainability. They are frequently reviewed and validated considering our safety culture, how our leaders shall operate, and not least our strategic choices.

This report also constitutes the Danish statutory reporting on corporate social responsibility. Our business model, which is set out on page 12 in our Annual Report 2022, forms an integral part of our statutory reporting.



Our responsibility

Integrating sustainability into our strategy is a way to grow and optimize our business for the future. TORM harnesses respected guidelines such as the ESG (Environment, social, government) structure, SASB (Sustainability Accounting Standards Board) reporting, Scope 1, 2, & 3 emissions reporting, and the UN SDGs (Sustainable Development Goals) to operate in a responsible manner. A materiality matrix guides the prioritization of our actions.

TORM was the first shipping company in Denmark to sign the UN Global Compact. This, together with the UN Sustainability Goals, is another way in which we commit to an internationally recognized set of principles on health, safety, labor rights, environment, and anti-corruption.

Enhancements in 2022

In 2022, TORM increased the transparency around our emissions and the impact of our sustainability response on our business by preparing a TCFD (Task Force on Climate-Related Financial Disclosure) report and an analysis of our Scope 3 emissions.

Governance driving sustainability

Organizing the Company to focus on sustainability is essential. To empower the organization to reduce emissions and achieve our ambitious environmental goals, new organizational roles were created in 2022. This was to establish a separate department of experts focused on accelerating our green efforts.

As an additional governance measure, TORM has for several years incorporated financial mechanisms to drive ESG efforts whereby senior management and the rest of the organization's KPIs are directly linked to ESG targets to ensure that TORM continues to prioritize sustainable actions.

➔ ESG-linked remuneration on page 99 of the Annual Report 2022.

Building a better future requires a joint effort. Therefore, TORM has been a long-standing partner in many industry-relevant collaborations. By working together, we can build momentum, draw focus, and share best practices to make a larger positive imprint on our world.

➔ SASB Index and responsibility data are available on page 25.



Enhancements in 2022

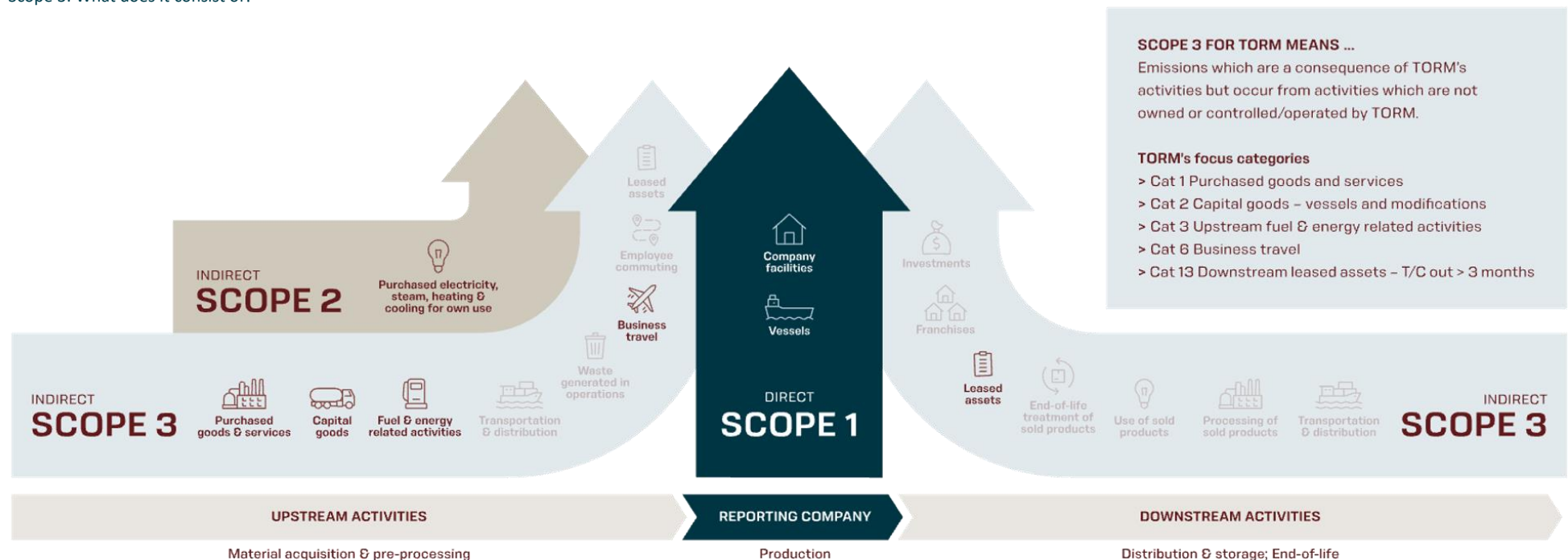
Scope 3

Scope 3 refers to emissions which are a consequence of TORM's activities but occur from activities which are not owned or controlled/operated by TORM. Scope 3 reporting is an expansion in 2022 of the already reported Scope 1 and 2 emissions. This is to disclose the indirect emissions from TORM's activities.

Scope 3 reporting is an additional voluntary effort creating awareness of our entire value chain enabling us to take ownership beyond our direct business based on data. By including entire value chains, we can understand the knock-on effect of actions to reduce emissions.

For example, efforts to reduce Scope 1 emissions on board our vessels, such as using less fuel to perform our routes, will also positively impact our Scope 3 emissions as less upstream fuel will be consumed. This increased transparency also ripples down to our partners and customers, empowering them with increased emissions transparency in their value chains.

Scope 3: What does it consist of?



Enhancements in 2022

TORM's process on Scope 3

A two-phase process using the Green House Gas Protocol's 15 categories for Scope 3 emissions was conducted. First, we made a mapping of our value chain, and a screening of all 15 categories was performed based on five criteria which considered the number of emissions, the degree of influence we have, associated risks, importance to our stakeholders, and if the activity is performed in-house or not. This resulted in the following five categories:

- Category 1: Purchased goods and services
- Category 2: Capital goods – vessels and modifications
- Category 3: Upstream fuel & energy-related activities
- Category 6: Business travel
- Category 13: Downstream leased assets – T/C out > 3 months

In the second phase, emission data for the five categories was refined and categorized as either 'primary/hybrid' or 'secondary'. 'Primary/hybrid' is data where we know the actual quantities consumed combined with industry-specific emission factors; however, these are only provided by a few vendors. Where only one data point was available, a hybrid calculation method was used, and average industry emission factors were applied to the purchased quantities. Where no primary data was available, spend-based consumption data was used to assess Scope 3 emissions, and this was categorized as 'secondary data'.

Following this selection and data collection process, we attained our 2021 and 2022 Scope 3 emissions data and the split between primary/hybrid quantities and secondary quantities. Positively, these consist of a high degree of primary/hybrid data, providing us with a deeper degree of transparency. The following discusses each category and the mechanisms involved.

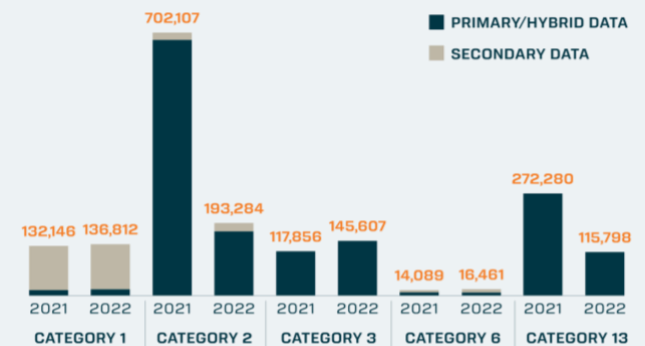
In 2022, category 2 accounts for most emissions, with 32% compared to 57% in 2021, and a category where 88% of data is primary/hybrid data. For vessel acquisitions, we have used a lightweight methodology as we are not able to acquire the exact emissions data from the shipyards. As this category reflects the emissions linked to vessel purchases and modifications, this number can fluctuate from year to year depending on TORM's vessel purchases. This was the case from 2021 to 2022 where the investment in vessels was significantly lower.

The subsequent significant categories were 1, 3, and 13 – purchased goods and services, upstream fuel and energy-related activities, and downstream leased assets, respectively. For category 1, we have lower data transparency, however, we believe this will improve over time due to the general focus on emissions which our suppliers will experience. Category 3 includes upstream emissions associated with the production and distribution of the bunker fuel for our vessels. With our drive to reduce our Scope 1 emissions by sailing more efficiently, we will inevitably reduce our Scope 3 emissions. Category 13 reflects our commercial decision to focus on the spot market which can fluctuate depending on our decisions to employ the fleet in the spot or time charter market. These emissions will fall in either Scope 1 (spot) or Scope 3 (time charter) depending on the degree of operational control that TORM holds at different times on different vessels. In 2022, we reduced the time charter ratio. The final category, category 6, relates to TORM's business travel, including seafarers' travel. Our seafarer workforce contributes considerably to these emissions as traveling is a necessary part of operating the vessels. Regardless, we constantly implement best practices and improvements to make the positioning of seafarers as efficient as possible. We have also applied this logic to optimize our shore-based business communication towards online platforms. This focus was

accelerated during the COVID-19 pandemic and learnings have continued.

Data types applied within each Scope 3 category

SOURCE: BASED ON TCO2E



Enhancements in 2022

This Scope 3 process has provided us with a deeper understanding of the indirect emissions and how we can move between the different scopes. These improvements also come from working with our partners and suppliers to raise awareness and challenge them to provide their emissions data. To maximize our efforts with this new reporting feature, we engaged ESG expert consultants in the entire process to work closely with TORM.

Next steps

With this increased visibility, TORM will continue to understand the new scope and data and decrease the amount of secondary data by encouraging suppliers to provide the necessary information, thus turning it into primary/hybrid data. Subsequently, we will use this data and our increased understanding to adjust our ways of working to positively impact Scope 3 emissions.

TCFD

Being relevant for tomorrow is just as important as being relevant today. To ensure TORM's position and relevance in the future, we conducted a climate-related scenario analysis in 2022 using the Task Force on Climate-related Financial Disclosures (TCFD) guidelines. This was to assess transitional and physical risks and opportunities and how they might impact the resilience of our company strategy.

We believe in taking advantage of available tools to show our stakeholders and potential investors how TORM is prepared for the future. This also provides TORM with input for focus areas to guide our strategy.

TORM's process

We engaged an external consultancy and developed three climate scenarios to assess TORM's risks and opportunities: Net Zero 2050 (1.5°C), Delayed Transition (1.8°C), and Hot House World (+3°C).

These scenarios were supplemented by data and insights relevant to upstream and midstream oil and gas activities and the transport of refined oil products. They also took into consideration TORM's full value chain including potential production of and demand for renewable energy fuels and technologies.

The scenario analysis process involved senior representatives from TORM's organization and TORM's Board of Directors to fully analyze the consequences of the risks and the opportunities ahead. The risks and opportunities were assessed for financial materiality and their potential impact on TORM's business model and strategy. Four financially material climate-related risks and three financially material climate-related opportunities were investigated.

The findings from the scenario analysis were incorporated into TORM's corporate strategy process to improve its resilience. Further details are outlined in the risk section of this report.

➔ TCFD details are available on pages 75-77 of the Annual Report 2022

The Task Force on Climate-related Financial Disclosures (TCFD) framework

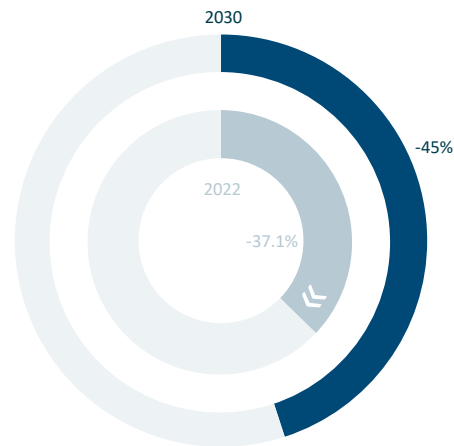


TORM's ESG targets

These targets ensure our collective focus on the same goals and encourage transparency between management, employees, and stakeholders. TORM has committed to the below ESG-linked targets to be relevant to investors, lenders, customers, and other stakeholders. We will elaborate on these targets throughout this report.

2030 Climate target

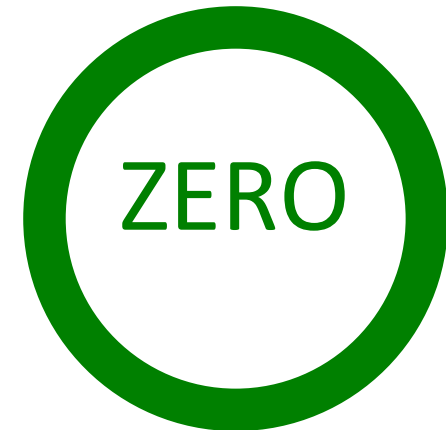
TORM continues to work on reducing our carbon intensity from -37.1% in 2022 to -45% by 2030 compared to 2008*.



* % reduction compared to the IMO's 2008 base year using the CII reference line using CO₂ g/dwt x nm.

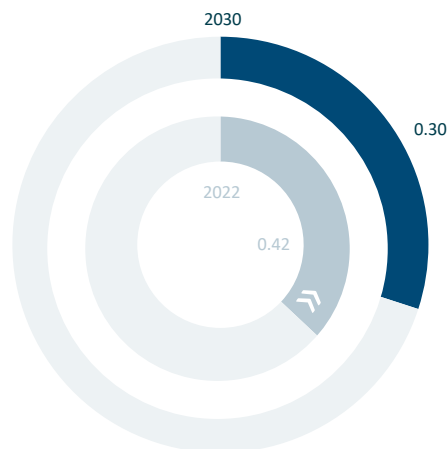
2050 Climate ambition

TORM is pursuing an ambitious climate agenda, whereby we will have zero CO₂ emissions from operating our fleet by 2050.



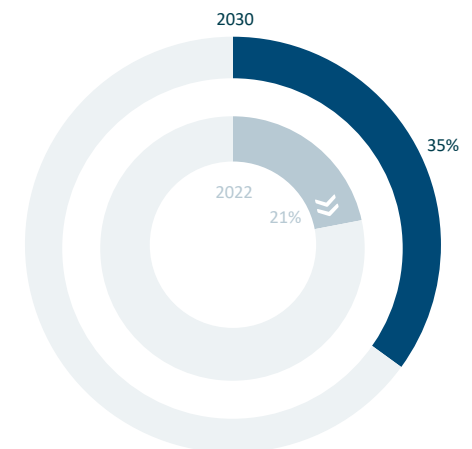
2030 Safety target

Safety is measured as a long-time accident frequency per million exposure hours. In 2022, TORM's safety performance was 0.42, and our target for 2030 is 0.30.



2030 Leadership diversity target

We believe that diverse teams led by diverse leaders deliver better business performance, and by 2030 at least 35% of our leaders will be female.



Stakeholder engagement and materiality

Stakeholder engagement

Working in close collaboration with our customers and stakeholders is an immense focus for TORM and is key to delivering our ambitious climate targets. Among other things, the stakeholder groups include employees, community, suppliers, customers, investors, and authorities.

Throughout the year, specialists across TORM interact with these stakeholders to ensure an open dialogue. This includes our ongoing dialogue with financial institutions to ensure a high level of transparency in our climate efforts – both ashore and at sea.

As a company, we work with a selection of partnerships sharing the same values and goals as TORM. TORM continued its work in the Mærsk Mc-Kinney Møller Centre for Zero Carbon Shipping which we joined in 2021 as a Mission Ambassador. Here we work with industry partners and knowledge specialists to achieve zero carbon shipping solutions by 2050. TORM is also an active member of industry organizations such as Danish Shipping. These efforts must ensure that TORM is part of the conversation that is important to many of our stakeholders and society at large.

➔ Engagement and decision-making in TORM are described on pages 115-117 of the Annual Report 2022

Materiality

As part of our continued efforts to increase transparency in our reporting, we included a materiality assessment in our 2021 responsibility reporting. This assessment has been reviewed in 2022 and is still valid. It will be reviewed again in 2023.

In TORM, we have defined materiality as “social and environmental topics with the largest impact throughout our value chain”.

Materiality assessment

TORM’s ESG materiality assessment is to identify and prioritize the ESG issues which are most important to and have the most impact on TORM and our key stakeholders. We have defined our key stakeholders as customers, lenders, investors, regulators, employees, suppliers, community, and environment.

Each score is evaluated relative to each other as all the material topics are important to TORM and our key stakeholders. The material topics and the materiality matrix were approved by the Board of Directors.



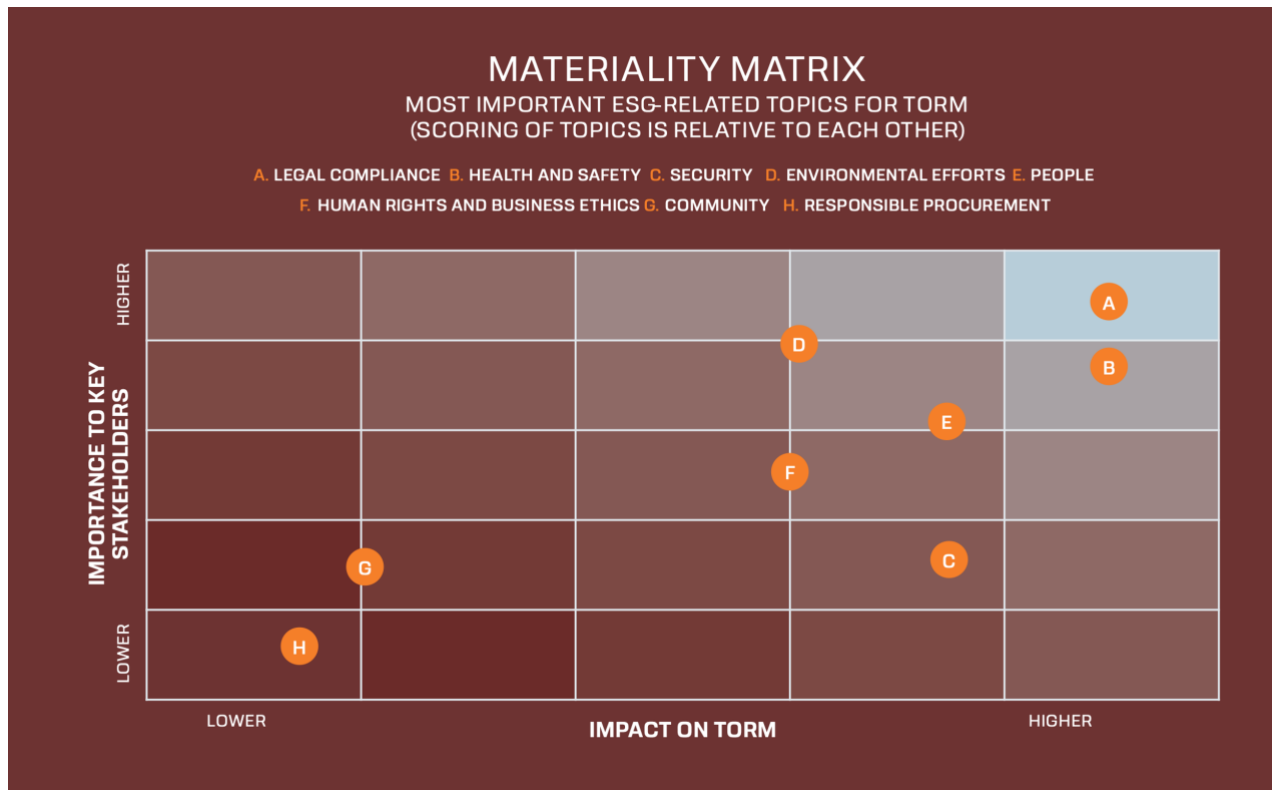
Mærsk Mc-Kinney Møller Center
for Zero Carbon Shipping



**GLOBAL
MARITIME
FORUM**



Stakeholder engagement and materiality



→ Environmental efforts on pages 30-33

→ Health and safety on page 34

→ Security on page 35

→ People on pages 36-37

→ Community on page 38

→ Legal compliance on page 39

→ Human rights and business ethics on pages 40-41

→ Responsible procurement on page 42

Environment

Environmental efforts

TORM believes in and supports the UN's SDG 13 Climate Action as marine pollution constitutes the largest environmental risk in the shipping industry.



TORM has dedicated resources, time, and focus to minimize its sea and atmospheric pollution. It also employs a broad range of tools and means to achieve its ambitious emissions reduction goals.

2022 fuel consumption and energy efficiency

TORM has relentlessly worked on the ambitious environmental goal of reducing our carbon footprint by deploying effective strategies and efficient technologies across our value chain. This is done to reduce both our carbon intensity, address how efficiently our vessels transport its cargo, and the subsequent carbon emissions. These ambitions support IMO's Green House Gas Strategy which envisages a reduction in carbon intensity of international shipping of at least 40% by 2030.

Our decarbonization efforts in 2022 have enabled us to reduce our carbon intensity, measured through the IMO defined methodology using Annual Efficiency Ratio (AER), by 37.1%. This reduction is compared to the IMO baseline of 2008. We are on track to achieve our goal of a 40% reduction in carbon intensity by 2025.

These decarbonization strategies and technologies also produce commercial benefits and synergies, which our closely connected and integrated One TORM platform enables us to capture.

Superior operating platform

TORM's fleet is effectively managed on the in-house integrated operating platform known as One TORM. Operations are conducted jointly for the entire fleet to reap synergies across vessel classes. Daily engagement with the vessels continues to create significant value to encourage and support best practice behavior regarding energy consumption. In addition, the efforts ensure that corrective actions can be taken swiftly, if needed. The strategic choices section elaborates on how this platform operates and the synergies it produces.



Read more about our superior operating platform on page 18 of the Annual Report 2022

Vessel performance optimization and behavior

Over the years, TORM has gained a lot from information and data sharing to improve learnings, both ashore and on board our vessels. This concept has been taken further and thereby contributed to our performance in 2022 as well. TORM initiated the NEXUS project that considers all processes influencing fuel efficiency, not only vessel engine performance but also voyage planning, hull performance, and much more. It aims to be a central tool providing transparency through live data to the various stakeholders and to improve decision-making. The Connected Machinery project is one of the first elements which provides automated vessel data and energy optimization

guidance, allowing the crew to proactively make the right decisions on matters impacting fuel efficiency.

This has been tested on 18 vessels during 2022 and has contributed learnings towards improving the tool. During 2023, it is expected that 40-60 vessels will have the tool installed, and it is expected to be completed by 2024.

Technologies

In 2022, we continued our journey of improving the hull of our vessels to make them glide easier through the water, thereby requiring less power and producing less emissions.

One method to improve vessel hulls is applying a silicon coating. Traditional hull coatings have higher roughness, which requires more power to move the vessel through water. Silicone-based coatings provide a very smooth and low-friction surface with a higher resilience towards fouling organisms sticking to the hull. TORM has increased the number of vessels with this coating that has now been applied to more than 50 vessels.

Environment

Environmental efforts

Before painting the hull, grit blasting the hull is very important. This results in a reduction of roughness and a much smoother surface, and thereby less water resistance. This way both CO₂ and fuel consumption are reduced. For example, the impact on our largest LR2 vessels is that we can save up to 120 tons of CO₂ emissions per vessel every single year.

120 tons

CO₂ emissions saved on an LR2 vessel when grit-blasted prior to hull painting

Industry collaboration

To harness momentum and synergies, TORM continued to be an active contributor in several industry collaborations. This involves active participation in Danish Shipping through which TORM aims to impact the decision-making in IMO in relation to ongoing discussions on the implementation of CO₂-related regulations. This work also continued in 2022 with the innovation partnership, ShippingLab (a non-profit platform for maritime research), for development and innovation with 30 partners from across the maritime industry. TORM was actively involved in two projects that were concluded in 2022.

Again in 2022, TORM supported and engaged in the Mærsk McKinney Møller Institute for Zero Carbon Shipping as a Mission Ambassador to research ways to grow in a more operationally, commercially, and sustainably viable way. We continued our participation in the Getting to Zero Coalition, a collaboration between the Global Maritime Forum and the World Economic Forum.

People competencies

People have a considerable influence on how effective our sustainability technology works. Therefore, equipping them with the training and competencies to optimize relevant technology is as important as the technology itself. To achieve this, we train our crew to have the right skills.

To ensure key crews on board have the latest vision for energy and fuel efficiency technologies, the annual junior and senior officer seminars dedicate time to share, discuss, and challenge upcoming technologies. This gives an understanding of the processes and capabilities, but it also provides insight into what the shore-based technical team is working on.

To build competences for the decarbonization journey, we also focus on the next round of officers. Prior to an officer being promoted to Captain or Chief Engineer, the officer attends a promotion assessment training which involves two weeks in a TORM office where the officers get fully acquainted with all departments with a specific focus on the technical decarbonization work, tools, goals, and upcoming innovations. Addressing behavior and the impact on our performance is a key focus area.

In addition, our shore-based technical team provides an approachable point of contact to virtually troubleshoot problems by using their expert knowledge. Our seafarers thereby have access to easy and timely assistance and can quickly solve matters and secure optimal vessel performance.

ME Production acquisition

In 2022, TORM purchased an ownership stake of 75% in ME Production (MEP), a Danish industrial company specializing in developing and producing advanced and green marine equipment. The new partnership is built on a year-long collaboration between TORM and MEP with the two companies working closely together, especially in relation to TORM's substantial exhaust gas cleaning (scrubber) commitment.

This partnership supports TORM's environmental goals both now and going forward. With environmental innovation we aim to be able to be in the forefront when it comes to assets that will support us in minimizing the harm of the environment and to the benefit of TORM in the longer term.

Environment

Environmental efforts

Combining the experience and engineering resources at MEP with the operational excellence at TORM will help TORM in achieving its environmental targets by creating energy optimization devices. One such technology is heat pumps that use the vessels' own waste heat to heat other machinery, water, and other vessel parts.

In 2022, this technology has been tested on one vessel with positive results. Benefiting from the pilot project, clear improvements are visible to enhance this even further.

We expect this to be tested further with the potential roll out across the fleet where more benefits can be reaped. MEP technology and expertise in building such innovations will be critical.

Decarbonization is a journey

Over the years, TORM has outperformed its set emissions targets. Therefore, TORM is pushing fast forward on our environmental efforts and will reduce our carbon intensity by 40% by 2025 – instead of by 2030. The baseline for the target is in line with the definition set forth by the International Maritime Organization, IMO, which defined how this should be measured and calculated.

Our people

Committing to these challenging targets requires support from several aspects. One aspect is our people. Therefore, investing in our people by enhancing their knowledge of new and upcoming technologies is important for this long-term journey to extract the value of new energy and fuel solutions. TORM will thus strengthen and enhance our superior operating platform to harness synergies allowing us to optimize our vessels' energy and fuel performance.

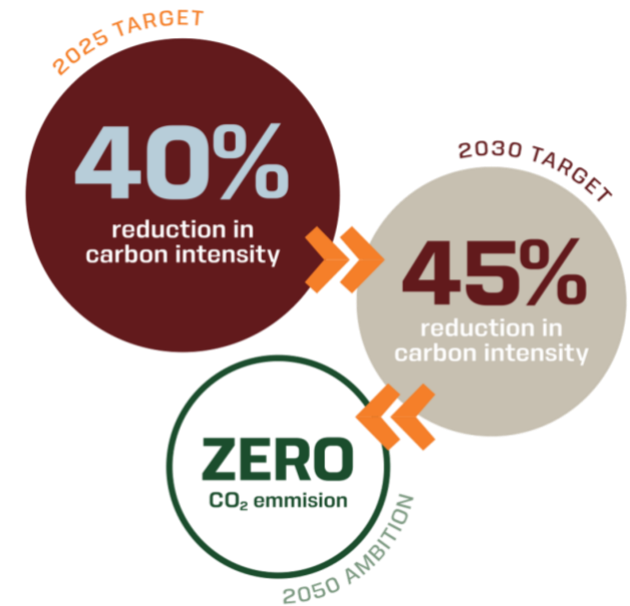
New fuels

Another aspect will be industry research on new fuel sources for vessels.

Read more details about TORM's investments to support the goal of zero emissions under our strategic choice of Greener Future.

➔ Long-term decarbonization on page 17 of the Annual Report 2022

Decarbonizing shipping



Environment

Environmental efforts

Innovation and technology will be key

TORM maintains its focus on the optimization and efficiency of our fleet by applying a broad set of operational and technical improvements. These efforts include smaller investments with short payback time and also larger investments with an expected larger impact.

Variable frequency drives

An example of innovation is the use of variable frequency drives (VFD) for cooling pumps on board vessels which can reduce energy consumption. There are always cooling systems on board vessels, and these are designed for the extreme conditions that the vessels may experience. However, as vessels do not constantly operate in these extreme conditions, these systems can be managed more efficiently. The VFDs control the cooling systems' capacity according to its situation and thus run the systems more efficiently. For example, the VFDs can be used to optimize the air conditioning on board which saves power and also creates a more stable and comfortable temperature for the crew on board. The VFD program is 95% completed across our fleet.

Air lubrication system

During autumn 2022, we installed the first air lubrication system on one of our LR2 vessels. Air lubrication is a system which blows out microscopic air bubbles at the bottom of the vessel, creating a layer of air between the vessel and the water. Air lubrication is expected to enable a reduction in friction and in CO₂ emissions of approximately 5% per vessel. If the tests confirm the desired outcome, we expect this technology to be rolled out on several vessels.

Route optimization

An accurate weather forecast is one of the most important tools for a sailor. Optimizing a vessels' voyage is essential to any shipping company. And we always strive to do even better - for our business and for the environment. Therefore, TORM has further developed an in-house algorithm model designed to optimize the voyages. This continuously provides our captains and their crew with updated routes, considering factors such as wind, waves, freight markets, and bunker prices. This helps to ensure that every journey is as safe and efficient as possible, while keeping emissions as low as possible.



Social

Health and safety

The majority of our workforce are seafarers, and therefore healthy and safe conditions on board our vessels are crucial.

Audits

TORM resumed physical audits on board in 2022, providing an increased personal contact and engagement with our crew. This enabled the timely takeover of our newly acquired vessels. Because of the effectiveness of the One TORM platform, audits, inspections, flag changes, etc. have been completed successfully during the time of the COVID-19 pandemic. This includes taking over vessels and delivering vessels to new owners.

SIRE inspections

Inspections ascertain the health of our vessels, and TORM uses SIRE inspections overseen by the OCIMF (Oil Companies International Marine Forum). In 2022, OCIMF initiated a revamped SIRE 2.0 inspection and assessment regime for the tanker industry. In TORM, this has been prioritized and will be in place prior during the first half of 2023.

Lost Time Accident Frequency

Lost Time Accident Frequency (LTAF) is a measure of serious work-related personal injuries which result in more than one day off work. LTAF is measured per million hours of work. TORM's LTAF measure in 2022 was 0.42 (2021: 0.37).

Once the pandemic subsided, we increased the number of physical visits on board. TORM also conducted additional activities such as physical seminars, virtual town halls, and information-sharing sessions and deployed thorough review and analysis of data such as “near-

miss” for better insight. A high number of near-miss reports indicate that the organization proactively monitors and responds to risks.

Safety

Our safety policy is rooted in the regulations by the Danish Maritime Occupational Health Service. In 2022, TORM continued with its ‘One TORM Safety Culture – driving resilience’ program which defines standards and expectations for excellent performance. TORM also continued the “Safety Delta” tool, continuous crew evaluation, dialogue, reflection, and development. All vessels have completed three Safety Delta cycles in 2022.

In 2022, we could resume physical onsite officer seminars in Copenhagen and Mumbai, and another seminar was held in the Philippines in January 2023. Shore and sea-based colleagues came together to discuss and align on our business strategy. A total of 160 senior officers attended the conferences.

Officer safety training

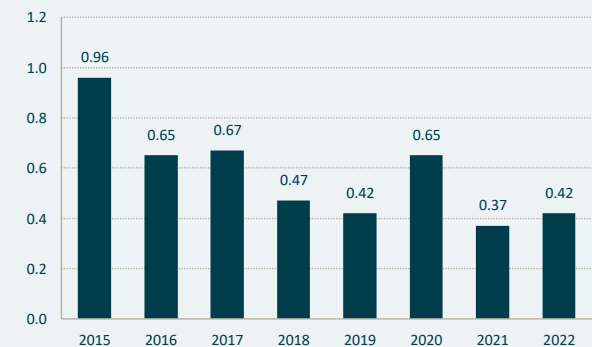
TORM continued to conduct safety leadership courses for senior officers on board. The course includes workshops for all senior officers and key marine shore staff and focuses on how to be a good leader when it comes to safety.

TORM increased the number of junior officer safety trainings in 2022 which covers the mindsets, competencies, and behaviors needed for safe operations. This course serves as a supplement to the safety leadership course for senior officers as junior officers should be prepared for their future ambassador roles.

TORM took over eight Team Tanker vessels in 2021 and by early 2022, all the crews had participated in the TORM Safety Delta self-assessment program, and all senior officers had been involved in the senior officer safety training and officer seminars.

Lost Time Accident Frequency (LTAF)

SOURCE: TORM



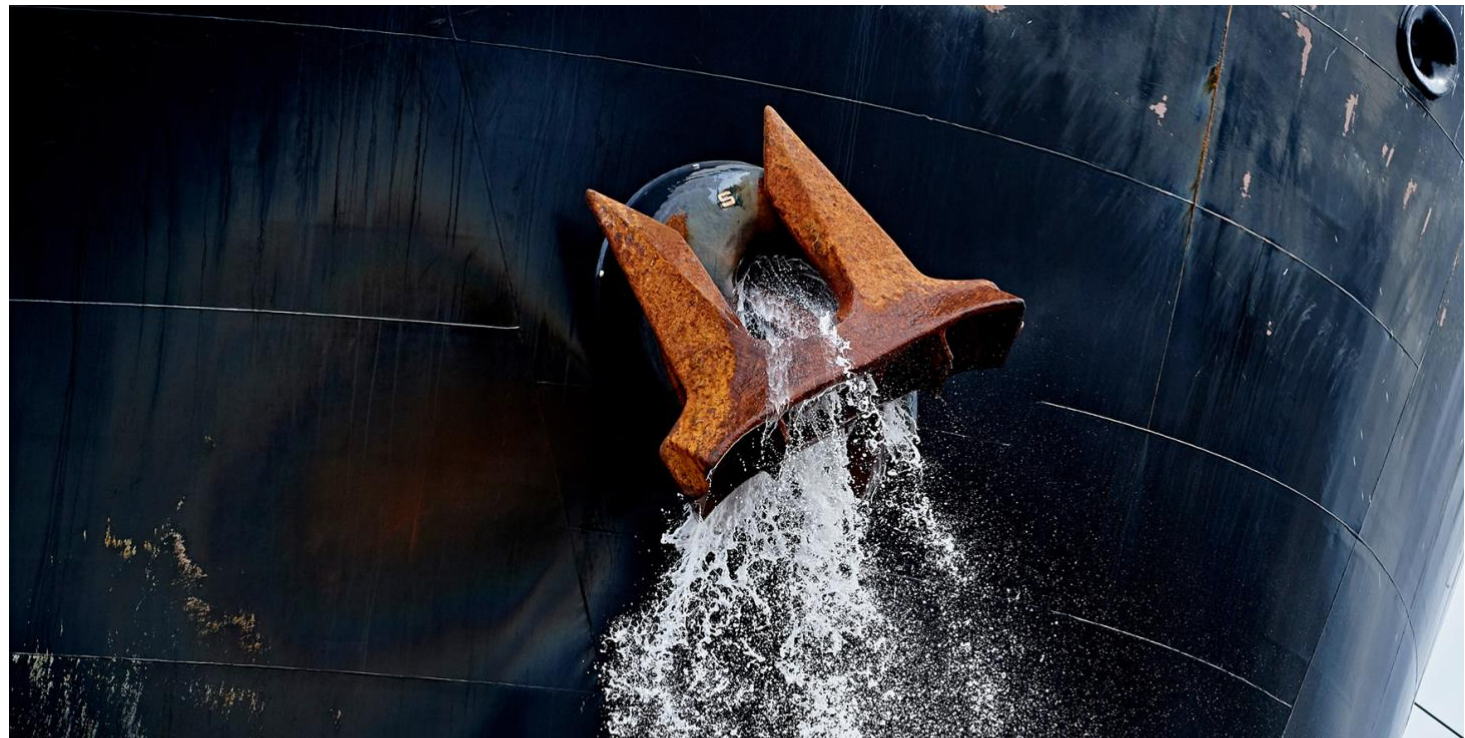
Social Security

Security

TORM's response to piracy is founded on the Best Management Practice, which is the industry guideline for companies and vessels sailing in areas with increased risk. In 2022, TORM experienced three minor incidents. No persons were harmed during these incidents.

Throughout the year, the security situation and developments in the various risk areas have been monitored closely, and actions have been taken to safeguard TORM's seafarers and vessels. The main area of concern remains the Gulf of Guinea. This is despite the fact that reported incidents have dramatically decreased in comparison to previous years. However, the root cause of piracy in the region has not been eradicated, so piracy remains a threat. TORM has adapted its procedures to the changing threat levels across all areas called at by TORM vessels.

The security situation in certain areas is affected by changes in geopolitical situations. TORM will continue monitoring the situation globally and implement adequate precautionary measures for risks identified.



Social People

People and culture play an essential role in TORM, and it is important for TORM to develop employees within their potential, which positively influences our employee retention, talent acquisition, and brand value. The pandemic challenged the way we work, but we have now adjusted to a post-pandemic world, and we use our learnings to improve the way we work.

In 2022, TORM increased awareness of its zero-tolerance towards harassment. Although not accepted, we must ensure our people have the right tools to handle such situations. An online training course, including reflection, was rolled out to all seafarers and shore-based colleagues to explain the different types of harassment, what to do if it occurs, and what tools are available to support them.

At sea

Improving workplace and well-being

To nurture the close relationship between sea and shore-based colleagues, we re-established the physical induction of new seafarers and physical training in 2022 – taking the best of both online and offline worlds.

The “Well at TORM” program, focuses on the well-being of our seafarers by increasing engagement, mental resilience, physical health, and embracing socialization among the crew, has proven to be successful. More than half of our seafarers are actively participating in this program.

The mealtime for our seafarers is not just important sustenance and nutrition, it is also a time to socialize and nurture the unique tightknit group on board. Therefore, in 2022, we changed the main global catering supplier to ensure this time is even more enjoyable and healthy.

In 2022, TORM implemented a new Marine HR management system to bring our seafarers and shore-based organization closer in daily operations. This platform provides more transparency of status, current and upcoming contract planning, and wage details. The system also facilitates a smoother travel expense process.

In 2022, we have worked to improve our crew engagement survey. This survey allows us to gauge the temperature of our seafarers to understand what support they need. The results highlighted that our seafarers have a very positive relationship with leadership and teams and have high job satisfaction. Senior management is involved in evaluating the results to gain attention and focus for actions. The survey covers questions about their connection with the Company, team and manager, their personal well-being, and job satisfaction.

At the end of 2022, TORM employed 3,218 seafarers and increased the retention rate for senior officers to 95%. Thus, TORM demonstrated compliance with customer requirements in ensuring the right level of experience among senior officers per vessel across the fleet (the so-called officer matrix compliance).

Ashore

In 2022, we continued our bi-annual real time data engagement survey. 98% of all shore-based employees responded to the November survey which resulted in an engagement score of 8.4 out of ten. The overall positive outcome of the survey was maintained from previous years and positions TORM in the top quartile of companies

across all industries using the same platform. Our ambition is to improve and nurture the culture needed to fulfill our ambitious strategy and develop initiatives which matter to our employees.

Employee health and well-being

During 2022, we formalized the remote work setup as a post-COVID work practice. This derives from the 2021 employee engagement survey and the practices’ success during the pandemic. We expect this opportunity to provide more flexibility for a global team and their work/life balance.

We are consistently focusing on employee health and well-being – physical and mental. Therefore, the stress awareness training initiated in 2021 was rolled out across all offices in 2022. Through in-depth knowledge, a common language, and targeted tools, all employees are equipped with the tools required to spot and mitigate stress.

Social People

Diversity

In TORM, it is our policy to work towards a diverse workforce irrespective of gender, religion, sexuality, nationality, ethnicity, or disabilities. A diverse workforce provides a balance of voices and thought that inspires innovation and creativity.

In 2022, we continued to participate and drive the aim of Danish Shipping's taskforce for more women at sea. In this work group, we have incorporated 10 recommendations into processes and procedures as best practice. The recommendations include setting gender diversity targets, supporting women through family-friendly policies, and rethinking the recruitment process.

Also in 2022, we piloted a system with our Danish female seafarers to enhance their network by making use of experienced women seafarers in other parts of our organization and additional mentoring for the unique lifestyle at sea. Learnings from this pilot project will build a tool that can be used to support diversity.

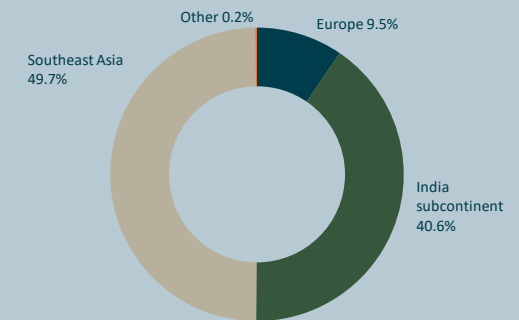
Gender diversity

We actively monitor the representation of females in the workforce and in leadership. At the end of 2022, the proportion of female full-time employees in the shore-based workforce was 35%, while women in leadership positions constituted 21%. TORM has a target for 2030 of 35% women in leadership positions. At the end of 2022, the Board of Directors consisted of four male members and one female member elected at the Annual General Meeting. Since 2020, the Board of Directors has fulfilled its target of 20% female Board members (1 out of 5).

This section also constitutes the Danish statutory reporting on gender distribution in management.

Geographical diversity of seafarers in %

TOTAL NUMBER OF SEAFARERS AT THE END OF 2022: 3,218



In 2022, we continued our strategy to employ seafarers with different nationalities as we believe that diversity on board is an important foundation for high performance, while keeping focus on cooperation and a safe working environment.

Diversity of permanent employees

	Male	Female
Non-executive Directors of the Company	3	1
Executive Directors of the Company	1	
Senior executives	3	-
Managers not listed above (managers with one or more direct reports)	135	21
Other permanent employees of the Group	174	108

Social Community



TORM is a long-standing supporter of maritime education in India and in the Philippines, and it is therefore natural for TORM to support SDG 4 Quality Education.

TORM believes that education is one of the best ways to nurture future competences and build a strong pipeline for the industry. Additionally, by contributing to society, TORM builds a sense of trust and pride in our colleagues, resulting in higher retention and positive brand recognition.

Education foundation in the Philippines

The TORM Philippines Education Foundation (TPEF) is a foundation set up by TORM Philippines in 2007 to support education in the Philippine community. During the educational year 2022-2023, we supported:

- 38 scholars studying in various colleges and universities
- 24 apprentices (one female and 23 male) within maritime courses

In addition to these students currently supported during 2022, 12 scholars graduated in 2022 with various degrees in engineering, education, psychology, IT, multimedia arts, and masters in business administration.

The TPEF also intensively invests in the Scholars Development Program which focuses on self-awareness and academic support, how to be an environmental warrior outside the classroom, communication and public speaking, gender sensitivity and equality, facilitation skills, and a mini-retreat and reflection session with discussion focused on developing emotional intelligence.

Another wing of the TPEF, the Social Development Initiatives, works towards providing relief to better surroundings during troubled times. In 2022, a provision of 130 sets of solar lamps and four sets of solar-powered charging stations was given to an elementary school in the island of Jagoliao, Getafe, Bohol. The school was ravaged by super typhoon "Rai" in December 2021 causing a power outage on the island. A total of 130 students, seven teachers, and the community benefited from the project.

Education support in India

TORM India funds specific projects under selective social causes, and since 2018 TORM India has worked closely with three organizations to achieve the purpose:

- SAMPARC – an organization taking care of disadvantaged children across India
- BAIF – an organization working towards upgrading and providing rural infrastructure
- Akshayshakti – an organization looking to improve the lives of students, welfare, and abandoned children

In 2022, TORM supported the construction and furnishing of one of the Zilla parishad schools, state-run secondary schools, in India.

TORM sponsors 33 students at SAMPARC and assists them with their basic needs, including school equipment and certain living expenses. With a focus on meeting the hygiene needs of children at Bhaje, TORM sponsored a toilet block construction in 2022. In keeping with the annual tradition, a team from TORM India visited SAMPARC Bhaje to celebrate Deepawali and distribute presents to all the students.

TORM believes that better infrastructural support and more extracurricular activities nurture a holistic education for students. In April 2022, TORM sponsored the construction of a new school at Nalasopara, Mumbai. To further support education infrastructure, TORM has committed to adding an additional floor to the school building.

Additionally, TORM has committed to constructing toilet blocks and paver blocks in Dahanu, Maharashtra to assist pre-nursery schools. Continuing our efforts to have a positive impact on society, TORM is currently evaluating several more projects in and around Mumbai, specifically aimed at helping young girls.

Governance

Legal compliance

For TORM, good corporate governance represents the framework and guideline for business management. The aim is to ensure that TORM is managed in a proper and an orderly manner consistent with applicable legislation and codes. This complements our commercial purpose to ensure we meet the high expectations of our investors, customers, and other stakeholders.

Legal compliance is essential to TORM and to our stakeholders. International transport of refined oil products is a highly regulated area, and full compliance with all applicable rules and regulations at all times is a necessity for operating successfully in our industry.

TORM's compliance with all applicable sanctions requires constant focus as any violation may have a significant business impact. The same applies to compliance with applicable rules and regulations in relation to (without limitation) health, safety and environment, anti-bribery and corruption, competition/anti-trust, as well as employment and labour. Legal compliance is often closely linked to other areas included in the materiality matrix and is also separately included.

The Governance section describes TORM's framework and governance model, designed to ensure TORM's continued ability to operate successfully.

 Governance section on pages 79-123 of the Annual Report 2022

Data Ethics Policy

TORM's business model, the One TORM platform, uses advanced analytics and digital solutions in which large amounts of data are processed. TORM's Data Ethics Policy confirms TORM's commitment to our defined data ethics principles, and it defines how we collect, store, and process data.

TORM wants to maintain high ethical standards for the protection of our data, and we want our handling of all data to be beneficial and value-adding to our customers, employees, business partners, authorities, and other stakeholders.

Our treatment of data must be robust to prevent any unintended disclosure. TORM's data security measures include a variety of guidelines and defined processes as well as technical and human controls.

TORM generally does not collect, store, or handle data in relation to private customers or consumers. The data which TORM collects and stores is mainly commercial data, relevant to the operation of our owned and chartered vessels. Such commercial data includes without limitation global trade flows, trading patterns, cargo types, weather patterns, port data, etc. and may be generated internally or obtained from external sources.

To ensure that TORM and our employees uphold these high standards, clear instructions are available for how employees should handle personal data. To ensure that employees understand and are kept updated on TORM's obligations such as sanctions, they are annually asked to confirm that they have read and will comply with the Business Principles and associated policies.

Governance

Human rights and business ethics

Business ethics

Transparency and accountability are key to TORM's way of doing business, and these values play a central role in our corporate social responsibility approach. Our approach to responsible behavior is rooted in our TORM Business Principles which have the following five objectives:

- Maintaining a good and safe workplace
- Reducing environmental impact
- Respecting people
- Doing business responsibly
- Ensuring transparency

Anti-corruption and anti-bribery

Corruption and bribery impede global trade and can restrict non-corrupt companies' access to markets. In this way, corruption and bribery have a negative impact on economic and social development. For TORM, the risk of corruption does not mean increased costs alone. Corruption also exposes TORM's seafarers to safety and security risks and poses a potential risk to TORM's legal standing and reputation.

TORM does not accept corrupt business practices, and as part of its compliance program TORM has a policy on anti-bribery and anti-corruption, which supports TORM's Business Principles.

It is TORM's policy to conduct all business in an honest and ethical manner. TORM has a "zero tolerance" approach to bribery and corruption, and TORM is committed to acting professionally, fairly, and with integrity in all business dealings and relationships, wherever TORM operates. TORM will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which TORM operates.

TORM has three elements which it leverages to continue a high level of transparency and accountability of its anti-corruption and anti-bribery policy. One being strict employee guidelines and processes to prevent and manage anti-corruption and anti-bribery, the second being specific reporting processes, and the third being compulsory e-learning courses. TORM further complies with SOX regulations according to which employees must complete training and confirm adherence to the policies and guidelines, ensuring 100% compliance. This training was enhanced again in 2022 by MACN to ensure its relevance.

Since 2011 when TORM co-founded the Maritime Anti-Corruption Network (MACN), TORM has been taking a joint stand with the industry against the request for facilitation payments which exists in many parts of the world where TORM conducts business. Best practice is shared between members of the network, and members align their approach to minimizing facilitation payments. MACN seeks support from government bodies and international organizations to eliminate the root causes of corruption. TORM is committed to addressing corrupt business practices among stakeholders by supporting this cross-sector approach. In 2022, TORM actively engaged at a MACN working forum with 200+ members to continue sharing experiences, best practices, and solutions to the current issues facing companies. In addition to its efforts within MACN, TORM continued to strengthen its companywide anti-corruption policies in 2022 to mitigate the risk of bribery and corruption. TORM has continued its anti-corruption training program, which includes mandatory anti-corruption courses for all shore-based staff and all officers on board TORM's vessels. With the reduced risk of COVID-19 in 2022, we had the enhanced access to share and stress the importance of this at the physical officer seminars held at key TORM offices. The training targets new hires as well as

existing employees and must be repeated annually. TORM will continue these efforts in 2023.

Since 2006, TORM's Board of Directors has provided a whistleblower facility with an independent lawyer as part of the internal control system. In 2022, the whistleblower facility received three notifications, which were investigated and closed without any critique or requirements for new measures.

Governance

Human rights and business ethics

Human rights

With the TORM Leadership Philosophy, TORM's Business Principles, and the commitment to the UN Global Compact, TORM is committed to respecting human rights as outlined in the United Nations Guiding Principles on Business and Human Rights.

TORM respects employees' right to associate freely, to join – or not to join – unions and to bargain collectively. TORM offers equal opportunities for its employees as stated in TORM's Business Principles. Zero claims or offenses have been reported regarding human rights in 2022.

2009

TORM signed the UN Global Compact

TORM recognizes that implementing the necessary policies and respective processes to be in line with the requirements of the UN Global Principles is part of an ongoing effort. Going forward, we will continue to promote human rights-related policies and processes.

The most material risk for human rights abuses is related to TORM's supply chain. TORM complies with the International Labor Organization's Maritime Labor Convention, an international set of standards on labor conditions at sea, which was ratified by 30 countries in 2012. All vessels under TORM's technical management are audited and certified as required under the Maritime Labor Convention of 2006. To enforce and promote the importance of human rights on how TORM performs business at large projects such as newbuildings or yard stays, TORM has a supervision team consisting of 4-6 TORM employees or externals representing TORM to ensure work is carried out in line with TORM standards.



Governance

Responsible procurement

Responsible behavior throughout the organization is central to TORM's business, management practices, and corporate culture.

Our supply chain is important to achieve our goals, and we must ensure that our quality standards and responsibility efforts are extended and improved throughout it. We expect our suppliers to comply with recognized international standards and work to improve human rights, labor conditions, impact on the environment, safety, corruption, and quality.

As a long-standing member of the UN Global Compact, TORM remains committed to protecting its employees, assets, reputation, and the environment by maintaining the highest possible standards. Transparency and accountability are central parts of TORM's way of doing business.

TORM signed the UN Global Compact in 2009 as the first shipping company in Denmark to commit to the internationally recognized set of principles regarding health, safety, labor rights, environmental protection, and anti-corruption. This also means that TORM reports on its social and environmental performance on an annual basis to ensure progress and accountability to stakeholders.

Because of TORM's commitment to integrate responsibility in all business practices, a revised set of Business Principles has been introduced. The Business Principles ensure alignment between our values, as outlined in the TORM Leadership Philosophy, and the policies that ensure appropriate behavior, which cannot be deviated from. This relationship applies to policies within all operations,

including those related to sustainability. TORM also applies its Business Principles when dealing with subcontractors and suppliers. TORM's Business Principles emphasize our commitment to promote responsible business principles in our supply chain. Therefore, TORM is compliant with the UK Modern Slavery Act.

TORM is certified according to ISO 14001:2015, and in accordance with the requirements of our certifications, we constructed a supplier assessment questionnaire and supporting process in 2021. In 2022, this assessment process was rolled out, and initially it focuses on the suppliers with the highest spend. This is to allocate resources to the areas with the largest potential risks and impacts.

The main purpose of the first supplier assessment is to establish a baseline and understand the status of our suppliers to facilitate a dialogue with them about how we together can extend and improve the quality of sustainability efforts. In some situations, there may be areas where we will work with a particular supplier to align with TORM requirements.


The questionnaire consists of a range of questions related to their business within the following main categories:

- Company information
- Quality management
- Performance
- Training

- Human rights and labor
- Environment, health, and safety
- Business ethics
- Complain procedure

In 2022, TORM has individually followed up on each questionnaire response to ensure their completeness. TORM will, when possible, conduct site visits to audit the categories in the questionnaire or conduct a remote audit. This document can also be used as a guide for all TORM suppliers to self-assess their compatibility with TORM standards.

This is a live document and is constantly incorporating improvements and adapting to the latest regulations. The questionnaire and process will be further developed in 2023.

 [Anti-corruption and anti-bribery on page 22](#)

SASB marine transportation industry standard

Topic	Accounting metric	Unit	2022	2021	Code
Greenhouse Gas	Gross global Scope 1 emissions	Metric tons (t) CO ₂ e	1,363,076	1,081,027	TR-MT-110a.1
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets		See pages 15-17, 19, 22-27, 30-33	See pages 22-27, 34, 40 in AR 21	TR-MT-110a.2
	1) Total energy consumed	Gigajoules (GJ)	19,265	17,672	TR-MT-110a.3
	2) Percentage heavy fuel oil	Percentage (%)	53	50	TR-MT-110a.3
	3) Percentage renewable	Percentage (%)	0	0	TR-MT-110a.3
	Average Energy Efficiency Design Index (EEDI) for new vessels	Grams of CO ₂ per ton-nautical mile	3	3	TR-MT-110a.4
Air quality	Air emissions of the following pollutants:				
	1) NO _x (excluding N ₂ O)	Metric tons (t)	n/a ¹⁾	n/a ¹⁾	TR-MT-120a.1
	2) SO _x	Metric tons (t)	1,785	1,533	TR-MT-120a.1
	3) Particulate matter (PM10)	Metric tons (t)	n/a ¹⁾	n/a ¹⁾	TR-MT-120a.1
Ecological impacts	Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	n/a ¹⁾	n/a ¹⁾	TR-MT-160a.1
	Percentage of fleet implementing ballast water: 1) exchange	Percentage (%)	12	27	TR-MT-160a.2
	Percentage of fleet implementing ballast water: 2) treatment	Percentage (%)	88	73	TR-MT-160a.2
	Number of spills and releases to the environment 2)	Number	0	0	TR-MT-160a.3
	Aggregate volume of spills and releases to the environment 3)	Cubic meters (m ³)	0	0	TR-MT-160a.3

The emission figures in this report represent TORM's findings to the best of our knowledge given today's methodology used by TORM and aligned with current IMO methodology. TORM is continuously committed to improving the methodology and advancing transparency in reporting as well as to following best industry practices on emissions reporting. In 2021, we allocated the emissions related to T/C out to gross global Scope 1 emissions as we did not report on Scope 3. In 2022, we report on Scope 3 and have reallocated the part included in Scope 1 in 2021 to Scope 3 in 2021. SO_x emissions for 2021 have been adjusted slightly due to updates to the methodology.

¹⁾ Data unavailable. Assessment of feasibility of disclosure is ongoing.

²⁾ Our definition of spills is based on ITOFF.

³⁾ We report total volume of spills as the estimated aggregate volume of all spills as defined above. We do not do netting of the amount of such material that was subsequently recovered, evaporated, or otherwise lost as required by SASB standard TR-MT-160a.3 -2.1.

SASB marine transportation industry standard

Topic	Accounting metric	Unit	2022	2021	Code
Employee Health & Safety	Lost Time Incident Rate (LTIR) ¹⁾	Rate	0.42	0.37	TR-MT-320a.1
Business ethics	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	18	13	TR-MT-510a.1
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	USD	0	0	TR-MT-510a.2
Accident & Safety Management	Number of marine casualties ²⁾	Number	1	1	TR-MT-540a.1
	Percentage classified as very serious ²⁾	Percentage (%)	0	0	TR-MT-540a.1
	Number of Conditions of Class or Recommendations	Number	3	7	TR-MT-540a.2
	Number of port state control: 1) deficiencies	Ratio ³⁾	0.71	0.55	TR-MT-540a.3
	Number of port state control: 2) detentions	Ratio ³⁾	0.01	0.00	TR-MT-540a.3
Activity metrics	Number of shipboard employees	Number	3,218	3,420	TR-MT-000.A
	Total distance travelled by vessels	Nautical miles (nm)	4,568,294	4,398,088	TR-MT-000.B
	Operating days	Days	29,610	28,717	TR-MT-000.C
	Deadweight tonnage	Thousand deadweight tons	5,034	4,746	TR-MT-000.D
	Number of vessels in total shipping fleet	Number	78	84	TR-MT-000.E
	Number of vessel port calls	Number	2,428	2,514	TR-MT-000.F
	Twenty-foot equivalent unit (TEU) capacity	TEU	n/a	n/a	TR-MT-000.G

¹⁾ Instead of LTIR, we report on LTAF (LTIF) which is an industry norm based on OCIMF guidelines on injury reporting. The rate per one million man hours is the most common unit in respect of LTAF.

²⁾ Our definition of marine casualty is based on the IMO Casualty Investigation Code Ch 2 -2.9, and very serious marine casualty is based on IMO Casualty Investigation Code Ch 2 -2.22.

³⁾ We report the number of port state control deficiencies and detentions as a ratio instead of a number. It is the industry norm to report port state control performance as a ratio as it provides important context to the metrics. The ratio is calculated as the number of deficiencies (or detentions) divided by the total number of PSC inspections.

Environmental indicators

Indicator	Unit	2022	2021	2020
Greenhouse gas (GHG) emissions				
Direct GHG emissions (Scope 1)	Tons CO ₂ e	1,363,076	1,081,027	1,257,468
Indirect GHG emissions – owned (Scope 2)	Tons CO ₂ e	448	486	434
Indirect GHG emissions – not owned (Scope 3)	Tons CO ₂ e	607,961	1,238,479	Not calculated
Total GHG emissions ¹⁾	Tons CO₂e	1,971,485	2,319,991	1,257,902
Energy consumption				
Heavy fuel	Tons	252,012	216,610	170,907
Low-sulfur heavy fuel	Tons	136,329	126,371	174,836
Marine gas oil	Tons	84,086	88,978	80,865
Office consumption				
Electricity consumption	kWh	659,476	514,461	445,093
Water consumption	m ³	4,062	3,875	3,268
Greenhouse gas (GHG) emissions - Fleet				
CO ₂ emissions, AER – total fleet	g/dwtxnm	5.15	5.05	5.34
CO ₂ emissions, AER – LR2	g/dwtxnm	3.68	3.72	4.10
CO ₂ emissions, AER – LR1	g/dwtxnm	4.73	4.33	4.66
CO ₂ emissions, AER – MR	g/dwtxnm	6.09	5.83	6.02
CO ₂ emissions, AER – Handysize	g/dwtxnm	8.37	7.23	7.52
CO ₂ emissions, EEOI – total fleet	g/cargoxnm	10.88	10.64	11.17
CO ₂ emissions, EEOI – LR2	g/cargoxnm	8.13	8.67	8.07
CO ₂ emissions, EEOI – LR1	g/cargoxnm	9.38	8.95	9.43
CO ₂ emissions, EEOI – MR	g/cargoxnm	12.69	11.80	13.06
CO ₂ emissions, EEOI – Handysize	g/cargoxnm	21.29	15.24	15.07

The emission figures in this report represent TORM's findings to the best of our knowledge given today's methodology used by TORM aligned with current IMO methodology. TORM is continuously committed to improving the methodology and advancing transparency in reporting as well as to following best industry practices on emissions reporting. In 2021, we allocated the emissions related to T/C out to direct GHG emissions (Scope 1) as we did not report on Scope 3. In 2022, we report on Scope 3 and have reallocated the part included in Scope 1 in 2021 to Scope 3 in 2021.

¹⁾ The total CO₂ emissions are significantly lower in 2020 compared to 2021 and 2022 because Scope 3 emissions have not been calculated for 2020.

Social indicators

Indicator	Unit	2022	2021	2020	Further information
Our employees					
Total number of seafarers	Headcount	3,218	3,420	3,023	Annual Report 2022
Total number of employees (shore-based)	Headcount	355	348	345	Annual Report 2022
Diversity – shore-based employees					
Total women in leadership	%	21	22	21	Annual Report 2022
Gender with lowest representation (women)	%	35	37	36	Annual Report 2022
Diversity – seafarers					
Total women in leadership	%	2	1	1	Annual Report 2022
Gender with lowest representation (women)	%	1	1	1	Annual Report 2022
Health & Safety					
Fatalities	Headcount	0	0	0	Annual Report 2022
Lost Time Accident Frequency (LTAF)	Per million exposure hours	0.42	0.37	0.65	Annual Report 2022
Ethics					
Sexual Harassment and/or Non-discrimination Policy		●	●	●	Business Principles
Equal and fair opportunity employer		●	●	●	Business Principles
Child and/or Forced Labor Policy		●	●	●	Business Principles
Child and/or Forced Labor Policy covers suppliers and vendors		●	●	●	Business Principles
Human Rights Policy		●	●	●	Business Principles
Human Rights Policy covers suppliers and vendors		●	●	●	Business Principles
Modern Slavery Policy		●	●	●	UK Modern Slavery Act
UN Global Compact Signatory		●	●	●	Responsibility Report
Recycling and Scrapping Policy		●	●	●	

Yes ● / No ●

Governance indicators

Indicator	Unit	2022	2021	2020	Further information
Board of Directors					
Members	Number	5	5	5	Annual Report 2022
Gender with lowest representation (women)	%	20	20	20	Annual Report 2022
Total nationalities	Number	5	5	5	Annual Report 2022
Independence	%	60	60	60	Annual Report 2022
Senior Management					
Members	Number	4	4	4	Annual Report 2022
Gender with lowest representation (women)	%	0	0	0	Annual Report 2022
Total nationalities	Number	1	1	1	Annual Report 2022
Executive Management has their bonus linked to ESG performance		●	●	●	Annual Report 2022
Whistleblower function					
Number of whistleblower notifications received through external system		3	1	3	Annual Report 2022
Number of whistleblower cases reviewed		3	1	3	Annual Report 2022
Ethics					
Anti-corruption Policy		●	●	●	Business Principles
Anti-bribery Policy		●	●	●	Business Principles
Whistleblower Policy		●	●	●	Annual Report 2022
Articles of Association		●	●	●	
Data Ethics Policy		●	●	●	Annual Report 2022
Code of Conduct Policy (Business Principles)		●	●	●	Business Principles

Yes ● / No ●

Definitions

CO₂ emissions (equivalent ton)

The greenhouse gas emissions (GHG) reporting covers Scope 1 (direct emissions from own production), Scope 2 (indirect emissions from the generation of purchased energy) and Scope 3 (emissions indirectly affected but not owned or controlled by TORM) of the Greenhouse Gas Protocol.

TORM uses the operational control principle as our organizational boundary when calculating our Scope 1, Scope 2, and Scope 3 emissions. This has the following implications:

- Upstream emissions from fuel usage in Scope 1 and Scope 2 are accounted for in Scope 3
- Investments with operational control are accounted for in Scope 1. The Marine Exhaust segment is not included in 2022 but will be included from 2023
- In line with our organizational boundary, we consider vessels that are time-chartered out (T/C-out) for less than three months as well as vessels which are time-chartered in (T/C-in) for more than three months as part of Scope 1
- In line with our organizational boundary, we consider vessels that are time-chartered out for more than three months as well as vessels which are time-chartered in for less than three months as part of Scope 3

Scope 1

CO₂ emissions have been calculated based on the consumption of heavy fuel oil and marine gas oil according to IMO's conversion factor for emission per ton. Emissions are calculated for each single vessel and then consolidated. Numbers under the Scope 1 data sheet have been collected on board the vessels or at the offices. The collection is based on actual usage. The vast majority of TORM's Scope 1 emissions

are linked to vessel operations with our fleet. Due to the very limited share, emissions from company cars have not been included.

Scope 2

CO₂ emissions generated indirectly from operational activities at the TORM offices are calculated using Danish and World Resources Institute emission factors. Only offices where data is available are included.

Scope 3

CO₂ emissions generated from activities not owned or controlled by TORM, but that we indirectly affect in our value chain. Scope 3 emissions are calculated using a mixed approach where spent-based data as well as supplier-specific and/or activity data are used, and where the relevant emission factors are applied. We are using a variety of data sources for these emission factors where the key sources are DEFRA, WIOD, GLEC, and Ecoinvent.

AER/Carbon intensity (g/dwtxnm)

AER is a measure of efficiency using the total fuel consumption, distance travelled, and deadweight. The measure is defined as grams CO₂ emissions per deadweight-ton-nautical mile. AER is affected by vessel size, speed, duration of waiting time, and port stays.

EEOI (g/cargoxnm)

EEOI is a measure of efficiency using the total fuel consumption, distance travelled, and cargo intake. The measure is defined as grams CO₂ emissions per cargo-ton-nautical mile. EEOI is affected by vessel size, speed, cargo availability, duration of ballast voyages, waiting time, and port stays.

SO_x emissions (ton)

SO_x emissions are calculated based on average sulfur content for the different fuel types.

A comprehensive study for TORM by an independent specialist, which compared the emissions from vessels fitted with exhaust gas cleaning systems (scrubbers) to emissions from vessels using low-sulfur fuel, found that the sulfur emissions are reduced to an average of 0.025% when using the exhaust gas cleaning system.

Energy consumption (GJ)

All fuel burned on board the vessels has been converted into energy based on fuel oil analysis results.

Office electricity consumption (kWh)

Electricity consumed indirectly in operating activities at TORM offices excluding the London and the Houston offices.

Office water consumption (m³)

Water consumed indirectly in operating activities at the TORM offices excluding the offices in London, Houston, Mumbai, and New Delhi.

Definitions

Spills

The definition of spills is based on ITOPF. We report the total volume of spills as the estimated aggregate volume of all spills. We do not net the amount of such material that was subsequently recovered, evaporated, or otherwise lost as required by SASB standard TR-MT-160a.3 -2.1.

Deadweight tonnage (based on SOLAS II-1A-Reg 2-20)

Deadweight tonnage is the difference in tons between the displacement of a ship in water of a specific gravity of 1.025 at the draught corresponding to the assigned summer freeboard and the lightweight of the ship.

COC (based on IACS document Classification societies Section B3 Classification surveys)

The requirement that specific measures, repairs, request for survey, etc. are to be carried out within a specified time period in order to retain class.

LTAF or LTIF (based on OCIMF Marine Injury Reporting Guidelines Section 4)

The number of Lost Time Injuries per unit exposure hours. Unit in respect of LTIF is one million man hours. Lost Time Injuries are the sum of fatalities, permanent total disabilities, permanent partial disabilities, and lost workday cases as based on OCIMF Marine Injury Reporting Guidelines Section 3.

Marine casualty (based on IMO Casualty Investigation Code Ch 2 -2.9)

A marine casualty means an event, or a sequence of events, that has resulted in any of the following and that has occurred directly in connection with the operation of a ship:

- the death of, or serious injury to, a person
- the loss of a person from a ship
- the loss, presumed loss, or abandonment of a ship
- material damage to a ship
- the stranding or disabling of a ship or the involvement of a ship in a collision
- material damage to marine infrastructure external to a ship that could seriously endanger the safety of the ship, another ship, or an individual
- severe damage to the environment or the potential for severe damage to the environment, brought about by the damage of a ship or ships

However, a marine casualty does not include a deliberate act or omission with the intention to cause harm to the safety of a ship, an individual, or the environment.

Material damage to ship (based on IMO Casualty Investigation Code Ch 2 -2.16)

A material damage in relation to a marine casualty means:

- damage that significantly affects the structural integrity, performance or operational characteristics of marine infrastructure, or a ship
- damage that requires major repair or replacement of a major component or components
- destruction of the marine infrastructure or ship

Very serious marine casualty (based on IMO Casualty Investigation Code Ch 2 -2.22)

A very serious marine casualty means a marine casualty involving the total loss of the ship, a death, or severe damage to the environment.

Permanent management positions (ex. Directors and senior executives) – shore-based

Total Management other than Directors of the Company (VPs, GMs, Senior Managers and Managers with one or more direct reports). The five Non-Executive Directors are not included as employees of the Group.

Permanent seafarer officers

Defined as officers living in Scandinavia.

